

SCHEME OF ARRANGEMENT

AMONGST

**REID & TAYLOR INTERNATIONAL PRIVATE LIMITED
("RTIL" OR "DEMERGED COMPANY")**

AND

**DIGJAM LIMITED
("DIGJAM" OR "RESULTING COMPANY")**

AND

**THEIR RESPECTIVE SHAREHOLDERS
(UNDER SECTION 230 TO 232 AND OTHER APPLICABLE
PROVISIONS OF THE COMPANIES ACT, 2013)**

For REID & TAYLOR INTERNATIONAL PVT. LTD.

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For DIGJAM LIMITED

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A. PREAMBLE

This Scheme of Arrangement (“the Scheme” as more particularly defined hereunder) is presented under Section 230 to 232 and other applicable provisions of the Act (as defined in Clause 1.1 below) provides for demerger of the Demerged Undertaking (as defined in Clause 1.8 below) from Reid & Taylor International Private Limited (“RTIL” or “Demerged Company”) into Digjam Limited (“Digjam” or “Resulting Company”).

RTIL and Digjam are collectively referred to as “Companies” and individually as “Company”

This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

B. BACKGROUND

1. Reid & Taylor International Private Limited (Erstwhile known as Krihaan Texchem Private Limited) (“RTIL” or “Demerged Company”) was incorporated on 21st February 2019 under the Companies Act, 2013 with CIN: U74999MH2019PTC321644. The Company changed its name from “Krihaan Texchem Private Limited” to “Reid & Taylor International Private Limited” which was approved by Registrar of Companies, vide a Fresh Certificate of Incorporation issued consequent upon change in name on 21st January 2025.

The Company has its registered office situated at 602 CTS No. 261, Boston House Suren Road, BHD. Cine Magic, Andheri (East), Mumbai – 400093, Maharashtra. It may be noted that the members of the Company, vide a Special Resolution dated 27th February 2025, have approved the shift of registered office of the Company from the State of Maharashtra to the State of Tamil Nadu, subject to receipt of necessary approvals, as per the provisions of Section 12, Section 13(4) of the Companies Act, 2013 read with Rule 30 of the Companies (Incorporation) Rules, 2014, or other approvals, if any, required. In this connection, the Company has filed an application vide Form INC 23 with the Regional Director, Western Region Bench on 31st March 2025 seeking approval for

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the aforesaid shift of Registered Office. As on date, the application is still pending before the Regional Director.

Further, the Company is engaged in the business of textile manufacturing and undertaking job work services and trading activities under the brand name of Reid & Taylor. The equity shares of the Company are presently not listed on any Stock Exchange(s).

2. Digjam Limited ("Digjam" or "Resulting Company") (Erstwhile known as Digjam Textiles Limited) is a public limited company incorporated on 17th June 2015 under the Companies Act, 2013 with Corporate Identification Number: L17123GJ2015PLC083569. The Company was incorporated as a wholly owned subsidiary of erstwhile Digjam Limited. A Scheme of Amalgamation u/s 391 to 394 of the Companies Act, 1956 and the corresponding provisions of the Companies Act, 2013 as applicable ("Scheme of Amalgamation"), between erstwhile Digjam Limited and the Company was sanctioned by the Hon'ble High Court of Gujarat vide Order dated 17th February 2016. The said Scheme became effective on 17th March 2016 upon filing of the certified copy of the Order with the Registrar of Companies, Gujarat and pursuant thereto, the entire business and undertaking of the erstwhile Digjam Limited stood transferred to and vested in the company from the Appointed Date – 30th June 2015. The name of the amalgamated company was changed to "Digjam Limited" w.e.f. 23rd March 2016 in terms of the Scheme of Amalgamation.

The Company has its registered office situated at Aerodrome Road, Jamnagar - 361006, Gujarat. It may be noted that the members of the Company, vide a Special Resolution dated 29th March 2025, have approved the shift of registered office of the Company from the State of Gujarat to the State of Tamil Nadu, subject to receipt of necessary approvals, as per the provisions of Section 12, Section 13(4) of the Companies Act, 2013 read with Rule 30 of the Companies (Incorporation) Rules, 2014, or other approvals, if any, required. In this connection, the Company has filed an application vide Form INC 23 with the Regional Director, North-Western Region Bench on 9th May 2025 seeking approval for the aforesaid shift of Registered Office. As on date, the application is still pending before the Regional Director.

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Further, the Company is engaged in the business of trading in all kinds of textiles and manufacturing of high-quality woolen/worsted fabrics under the brand "DIGJAM". The equity shares of the company are listed and traded on BSE Limited and National Stock Exchange of India Limited.

C. RATIONALE

- Both the Companies involved in this Scheme are part of the Finquest Group ("Group").
- Further, the Resulting Company and the Demerged Undertaking i.e., Textile Business Undertaking (as defined in Clause 1.8 below) of the Demerged Company are engaged in similar business activities.
- The Group intends to consolidate the textile business of the Demerged Company and the Resulting Company through a Scheme of Arrangement which would be in the interest of both the Companies, their shareholders and other stakeholders, inter alia, on account of the following reasons:
 - (i) The Board of Directors of both the Companies intend to bring the 'Textile Business' of the Demerged Company and the Resulting Company under one entity, since they recognize the fact that combining both the business divisions will enable the Resulting Company to optimize the utilization of the specialized skills and knowledge, cash flow profiles, and operational and training requirement. In this scenario, the Board of Directors of both the Companies are of the view that it would be better to demerge the 'Textile Business' of the Demerged Company into the Resulting Company and additionally take advantage of the economies arising out of integration of the business under one entity.
 - (ii) This arrangement will help in optimal utilization of resources, operations on economies of scale, achieve cost savings, reduction in multiplicity of legal and regulatory compliances, and would aid rationalization, simplify business process and optimize resources and administrative expenses and provide focused leadership and management attention on the textile business activity of the group and to bring about operation synergies in the business operations.



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- (iii) Overall, the Scheme of Arrangement is intended to consolidate group business and operations to enable better and more efficient management, control and running of its various businesses and offering opportunities to the management of both the companies to vigorously pursue growth and expansion. The Scheme of Arrangement will lead to the emergence of a fully integrated single entity positioned to provide more extensive and integrated services in the textile sector.
- (iv) The Scheme of Arrangement would result in enhanced potential for increase in revenues and profits over time for the Resulting company and its members. The demerger would provide synergistic linkages besides economies in costs and other benefits resulting from the economies of scale, by combining the businesses (including specific industry expertise thereto) and thus contribute to the profitability over time of the Resulting company by rationalization of management and administrative structure.
- (v) Further, pursuant to the demerger, the shareholders of the Demerged Company will be allotted shares of the Resulting Company which will be subsequently listed, thus, increasing the long-term value for all the shareholders of the Demerged Company.

The Scheme shall be beneficial and be in the best interest of the shareholders, creditors and other stakeholders of both the Demerged Company and the Resulting Company. The Scheme shall not be in any manner prejudicial to the interest of concerned members, creditors and stakeholders.

In view of the aforesaid, the Board of Directors of the Companies have considered and proposed this Scheme and matters incidental thereto pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.



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D. PARTS OF THE SCHEME

The Scheme is divided into following parts:

1. Part I deals with Definitions, Interpretations and Share Capital
2. Part II deals with demerger of the Demerged Undertaking (as defined in Clause 1.8) from Demerged Company into the Resulting Company
3. Part III deals with General Terms and Conditions applicable to the Scheme and other matters consequential and integrally connected thereto.

E. TREATMENT OF THE SCHEME FOR THE PURPOSES OF INCOME-TAX ACT, 1961

The Scheme has been drawn up in compliance with the conditions relating to 'Demerger' as specified under Section 2(19AA) of the Income-tax Act, 1961 ('IT Act'). If any of the terms or provisions of the Scheme is / are found or interpreted to be inconsistent with the provisions of Section 2(19AA) of the IT Act at a later date, including resulting from an amendment of Law or for any other reason whatsoever, the provisions of Section 2(19AA) of the IT Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the provisions of Section 2(19AA) of the IT Act, 1961. Such modifications will however not affect the other parts of the Scheme.

F. NO ARRANGEMENT WITH CREDITORS

Under the proposed Scheme, there is no arrangement proposed to be entered into with the creditors, either secured and/or unsecured creditors of the Demerged Company and the Resulting Company. No compromise is offered under this Scheme to any of the creditors of the Demerged Company and the Resulting Company. The liability towards the creditors of the Demerged Company (relating to the Demerged Undertaking) is neither being reduced nor being extinguished but shall be assumed and discharged by the Resulting Company (to the extent of the Demerged Undertaking) respectively, in its ordinary course of business.

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PART I - DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1. Definitions

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

- 1.1 **“Act”** means the Companies Act, 2013 and the rules and regulations made thereunder and shall include any statutory modification, amendments or re-enactment thereof for the time being in force;
- 1.2 **“Appointed Date”** means 1st July 2025 or such other date as may be fixed or approved by the National Company Law Tribunal or such other competent authority / Appropriate Authority;
- 1.3 **“Applicable Law”** means any applicable statute, law, regulation, ordinance, rule, judgement, order, decree, clearance, approval, directive, guideline, requirement or any similar form of determination by or decision of any Appropriate Authority, that is binding or applicable to a Person, whether in effect as of the date on which this Scheme has been approved by the Board of the Companies or at any time thereafter;
- 1.4 **“Appropriate Authority”** means any national, state, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, departmental or public body or authority, board, branch, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, or any stock exchange of India or any other country including the Registrar of Companies, Regional Director, Official Liquidator, Company Law Board, Competition Commission of India, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges, National Company Law Tribunal and such other sectoral regulators or authorities as may be applicable;



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- 1.5 **"Board of Directors"** means Board of Directors of the Demerged Company and/or the Resulting Company, as the case may be or any committee thereof duly constituted, or any other person duly authorized by the Board for the purpose of this Scheme;
- 1.6 **"Demerger"** shall have the meaning ascribed to it under Section 2(19AA) of the IT Act;
- 1.7 **"Demerged Company"** means Reid & Taylor International Private Limited (Corporate Identification Number: U74999MH2019PTC321644), a private company incorporated under provisions of the Companies Act, 2013 and having its registered office at 602 CTS No. 261, Boston House Suren Road, BHD. Cine Magic, Andheri (East), Mumbai – 400093, Maharashtra. It may be noted that the members of the Company, vide a Special Resolution dated 27th February 2025, have approved the shift of registered office of the Company from the State of Maharashtra to the State of Tamil Nadu, subject to receipt of necessary approvals, as per the provisions of Section 12, Section 13(4) of the Companies Act, 2013 read with Rule 30 of the Companies (Incorporation) Rules, 2014, or other approvals, if any, required. In this connection, the Company has filed an application vide Form INC 23 with the Regional Director, Western Region Bench on 31st March 2025 seeking approval for the aforesaid shift of Registered Office. As on date, the application is still pending before the Regional Director.
- 1.8 **"Demerged Undertaking"** means all the business, undertakings, properties, activities, operations, investments, assets and liabilities of whatsoever nature and kind and wheresoever situated, of the Demerged Company, in relation to and pertaining to the Textile Business on a going concern basis and shall include without limitation:
- all properties and assets of the Textile Business of Demerged Company including all movable or immovable, freehold, leasehold or licensed (excluding land and building located at *Thandya Industrial Area, Thandavapura – 571301 Nanjangud Taluk, Mysore Dist Karnataka* , tenancy rights, hire purchase and lease arrangements, real or personal, corporeal or incorporeal or otherwise, present, future, contingent, tangible or intangible, furniture, fixtures, office equipment, appliances, accessories, vehicles, investments, stocks (including stock held with job-workers, depots, consignees, or warehouses of third parties), sundry debtors,



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deposits, provisions, advances, recoverables, receivables, title, interest, cash and bank balances, bills of exchange, covenants, all earnest monies, security deposits, or other entitlements, funds, powers, authorities, licenses, registrations, quotas, allotments, consents, privileges, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, fiscal incentives, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Demerged Company with respect to its Textile Business;

- ii. all current assets including inventories, sundry debtors, receivables, cash and bank accounts (including bank balances, foreign currency accounts if applicable, petty cash, and imprest balances), fixed deposits, loans and advances, actionable claims, bills of exchanges and debit notes for the purpose of carrying on the Textile Business of the Demerged Company;
- iii. all investments including shares, scripts, stocks, bonds, debentures, debenture stock, units of mutual funds and other securities (excluding investments and loan given to RNT Garments Private Limited along with Interest thereon), including dividends declared or interest accrued thereon pertaining to the Textile Business of the Demerged Company;
- iv. all rights or benefits, benefits of any deposit, receivables, claims against any vendor or advances or deposits paid by or deemed to have been paid, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, hire purchase contracts, lending contracts, rights and benefits under any agreement, benefits of any security arrangements or under any guarantee, reversions, powers, tenancies in relation to the office and/or residential properties for the employees or other persons, vehicles, guest houses, godowns, share of any joint assets and other facilities pertaining to the Textile Business of Demerged Company;
- v. all rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangement of all kinds, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever's situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the company or in connection with or relating to the said company and all other interests of whatsoever



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nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of the Textile Business of Demerged Company;

- vi. all permissions, approvals, consents, subsidies privileges, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax credits, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto including licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Textile Business of Demerged Company;
- vii. all licenses granted by any government, statutory or regulatory bodies for the purpose of carrying on the business or in connection therewith, approvals, authorizations, permissions including municipal permissions, consents, registrations including import registrations, certifications, no objection certificates, quotas including import quotas, rights, permits including import permits, exemptions, subsidies, tax deferrals, credits (including Cenvat Credits, sales tax credits, Good and Service Tax credits and income tax credits), privileges, advantages and all other rights and facilities of every kind, nature and description whatsoever for the purpose of carrying on the Textile Business of Demerged Company;
- viii. all application monies, advance monies, earnest monies and/ or security deposits paid or deemed to have been paid and payments against other entitlements with respect to the Textile Business of Demerged Company;
- ix. all agreements, contracts, arrangements, understandings, engagements, deeds and instruments including lease/ license agreements, tenancy rights, equipment purchase agreements, master service agreements, loan license agreements, third party manufacturing agreements and other agreements with the customers, purchase and other agreements/ contracts with the supplier/manufacturer of goods/ service providers and all rights, title, interests, claims and benefits there under, for the purpose of carrying on the business of the Textile Business of Demerged Company;
- x. all tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under Tax Laws including sales tax deferrals and minimum alternate tax paid under section 115JA/115JB of the Income-tax Act, advance taxes, tax deducted at source, right to carry forward and set-off accumulated losses and unabsorbed depreciation,

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- if any, deferred tax assets, minimum alternate tax credit, goods and service tax credit, deductions and benefits under the Income Tax Act or any other taxation statute enjoyed by the Demerged Company with respect to the Textile Business;
- xi. all debts, borrowings, obligations, duties and liabilities both present and future, whether provided for or not in the books of accounts or disclosed in the balance sheet of the company, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or un-matured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability) pertaining to the Textile Business of Demerged Company;
 - xii. all permits, licences, approvals, registrations, quotas, incentives, powers, authorities, allotments, consents, rights, benefits, advantages, municipal permissions, trademarks, designs, copyrights, patents and other intellectual property rights of the Demerged Company pertaining to the Textile Business, whether registered or unregistered and powers of every kind, nature and description whatsoever, whether from the government bodies or otherwise, pertaining to or relating to the Textile Business of Demerged Company;
 - xiii. All digital and intangible operational assets, including but not limited to Enterprise Resource Planning (ERP) systems, cloud-based accounting, inventory management and other enterprise software licenses; access rights, usernames, passwords and credentials for all digital platforms, online vendor dashboards, and e-commerce portals (including, without limitation, Flipkart, Amazon B2B and similar platforms); ownership, rights and control over email domains, websites, hosting services, digital content, social media accounts, and server access credentials; customer, supplier, vendor and employee databases; data warehouses; business and marketing data; subscriber and distribution lists; Customer Relationship Management (CRM) systems; and all other data assets, pertaining to or connected with the Textile Business of the Demerged Company;
 - xiv. all Powers of Attorney, whether issued by or in favour of the Demerged Company, including those granted for the purposes of liaisoning, representation, or dealing with any regulatory authorities, governmental departments, customs authorities,

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distributors, agents or other third parties, in connection with or relating to the Textile Business of the Demerged Company.

- xv. all books, records, files, papers, process information, computer programs, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Textile Business of Demerged Company;
- xvi. all permanent and/or temporary employees, workmen, staff, contract staff or labourers engaged in the Textile Business of Demerged Company as may be determined by the board of directors of Demerged Company; and
- xvii. All employee-related assets and liabilities, including but not limited to employment contracts, employee service records, records of benefit eligibility, history of statutory and contractual benefits, accrued leave records, employee grievance records and liabilities; all rights and obligations under applicable labour laws; enrolment and benefits under statutory schemes such as Employees' State Insurance Corporation (ESIC), Provident Fund, state-specific bonus contributions, and any other labour welfare schemes; and all rights, interests, balances, and accrued benefits under any group gratuity, superannuation or similar employee benefit schemes or policies maintained with the Life Insurance Corporation of India (LIC) or any other insurer, including related fund balances with accrued interest, pertaining to or relating to the employees engaged in the Textile Business of the Demerged Company.

For Avoidance of Doubt, it is hereby clarified that the parcel of Land and building located at Mysore Karnataka, investments in equity shares of RNT Garments Private Limited and loan advanced to RNT Garments private Limited along with interest thereon are Surplus assets of the Demerged Company and do not form a part of Demerged Undertaking.

Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Textile Business of Demerged Company or whether it arises out of the activities or operations of the Textile Business of Demerged Company shall be decided by mutual agreement between Board of Directors of the Demerged Company and the Resulting Company.



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Further the Board of Directors of the Demerged Company and the Resulting Company may mutually decide the modalities/commercial arrangement between the said Companies with regard to utilization of resources to ensure smooth transition and functioning of the respective businesses.

- 1.9 **"Effective Date"** means the last of the dates on which all the conditions and matters referred to in Clause 23 of the Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme. Any references in this Scheme to the "date of coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date.
- 1.10 **"Encumbrance" or to "Encumber"** means without limitation any options, claim, preemptive right, easement, limitation, attachment, restraint, mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law;
- 1.11 **"IT Act" or "Income-tax Act"** means the Income-tax Act, 1961, of India, including any statutory modifications, re-enactments or amendments thereof for the time being in force;
- 1.12 **"Governmental Authority" or "Government Body"** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction;
- 1.13 **"National Company Law Tribunal" or "NCLT" or "Tribunal"** means the National Company Law Tribunal having jurisdiction in relation to the Companies and/ or the National Company Law Appellate Tribunal ("NCLAT") as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under sections 230 to 232 of the Act and shall include,



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if applicable, such other forum or authority as may be vested with the powers of a tribunal for the purposes of Sections 230 to 232 of the Act as may be applicable;

- 1.14 **“Parties” or “Companies”** means collectively the Demerged Company and the Resulting Company and “Party” or “Company” shall mean each of them, individually;
- 1.15 **“Record Date”** means a mutually agreed date to be fixed by the Board of Directors of the Demerged Company and Resulting Company for the purposes of determining the shareholders of the Demerged Company to whom shares would be issued and allotted in accordance with Clause 10.1 of this Scheme;
- 1.16 **“Registrar of Companies”** means the Registrar of Companies having jurisdiction over the Companies.
- 1.17 **“Resulting Company”** means Digjam Limited (Corporate Identification Number: L17123GJ2015PLC083569), a public company incorporated under provisions of the Companies Act, 2013 and having its registered office at Aerodrome Road, Jamnagar - 361006, Gujarat. The Company has its registered office situated at Aerodrome Road, Jamnagar - 361006, Gujarat. It may be noted that the members of the Company, vide a Special Resolution dated 29th March 2025, have approved the shift of registered office of the Company from the State of Gujarat to the State of Tamil Nadu, subject to receipt of necessary approvals, as per the provisions of Section 12, Section 13(4) of the Companies Act, 2013 read with Rule 30 of the Companies (Incorporation) Rules, 2014, or other approvals, if any, required. In this connection, the Company has filed an application vide Form INC 23 with the Regional Director, North-Western Region Bench on 9th May 2025 seeking approval for the aforesaid shift of Registered Office. As on date, the application is still pending before the Regional Director.
- 1.18 **“Retained Business” or “Remaining Business” or “Remaining Business of the Demerged Company” or “Retained Business of the Demerged Company”** means all the activities, operations, businesses, divisions and/ or strategic business units of Demerged Company excluding the Demerged Business Undertaking (*as defined in the Clause 1.8 above*);;

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- 1.19 **“Scheme”** or **“the Scheme”** or **“this Scheme”** or **“the Scheme of Arrangement”** means this Scheme of Arrangement in its present form submitted to the NCLT or with any modification(s) made under Clause 21 of this Scheme or with such other modifications/amendments as the NCLT may direct;
- 1.20 **“SEBI”** means the Securities Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 1.21 **“SEBI Circulars”** means the circulars issued by Securities and Exchange Board of India in relation to the amalgamations and arrangements carried out under the Act and shall inter-alia refer to SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time.
- 1.22 **“Stock Exchange”** means BSE Limited and National Stock Exchange of India Limited;
- 1.23 **“Tax Laws”** mean IT Act, Customs Act, 1962, Central Excise Act, 1944, Value Added Tax Act, applicable to any state in which the Companies operate, Central Sales Tax Act, 1956, any other State Sales Tax / Value Added Tax laws, or Service Tax, Goods and Service Tax or other applicable laws/ regulations dealing with taxes/ duties/ levies/cess.
2. In this Scheme, unless the context otherwise requires:
- words denoting the singular shall include the plural and vice versa;
 - headings and bold typefaces are only for convenience and shall be ignored for the purpose of interpretation;
 - references to the word “include” or “including” shall be construed without limitation;
 - a reference to a clause, section or part is, unless indicated to the contrary, a reference to a clause, section or part of this Scheme;
 - unless otherwise defined, the reference to the word “days” shall mean calendar days;
 - reference to a document includes an amendment or supplement to, or replacement or novation of that document;
 - word(s) and expression(s) elsewhere defined in the Scheme shall have the meaning(s) respectively ascribed to them; and

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- h) All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other Applicable Laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof for the time being in force.

3. 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 NCLT or any other statutory authorities or in terms of this Scheme shall take effect from the Appointed Date but shall be operative from the Effective Date.

4. SHARE CAPITAL

- 4.1 The share capital of the Demerged Company as on 29th June 2025 is as under:

Particulars	Amount (INR)
Authorised Share Capital	
1,00,00,000 Equity Shares of INR 10/- each	10,00,00,000
Total	10,00,00,000
Issued, Subscribed and Paid-up Share Capital	
1,53,400 Equity Shares of INR 10/- each	15,34,000
Total	15,34,000

There has been no change in the issued, subscribed and paid-up share capital of the Demerged Company from 25th June 2025 till the date of approval of Board of Directors of Demerged Company.

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4.2 The share capital of the Resulting Company as on 29th June 2025 is as under:

Particulars	Amount (INR)
Authorised Share Capital	
10,00,50,000 Equity Shares of INR 10/- each	1,00,05,00,000
27,00,000 Cumulative, Non-Convertible, Redeemable 7% Preference Shares of INR 100/- each	27,00,00,000
Total	1,27,05,00,000
Issued, Subscribed and Paid-up Share Capital	
2,00,00,000 Equity Shares of INR 10/- each	20,00,00,000
27,00,000 Cumulative, Non-Convertible, Redeemable 7% Preference Shares of INR 100/- each	27,00,00,000
Total	47,00,00,000

The equity shares of the Resulting Company are listed on the Stock Exchange.

**Part II – DEMERGER AND VESTING OF DEMERGED UNDERTAKING OF THE
DEMERGED COMPANY INTO THE RESULTING COMPANY**

5. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

5.1 Upon the Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to Sections 230 to 232 of the Act, the Demerged Undertaking shall, without any further act, instrument or deed, be transferred to, and be vested in or be deemed to have been transferred to and vested in Resulting Company, as a going concern, so as to vest in the Resulting Company the assets, liabilities, contracts, arrangements, employees, permits, records, etc. of Resulting Company by virtue of operation of law and in the manner provided in this Scheme.

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- 5.2 In respect of such of the assets and properties forming part of the Demerged Undertaking which are movable in nature (including but not limited to all intangible assets) or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company to Resulting Company upon coming into effect of this Scheme and shall, ipso facto and without any other order to this effect, become the assets and properties of Resulting Company without requiring any deed or instrument of conveyance for transfer of the same.
- 5.3 Subject to Clause 5.4 below, with respect to the assets of the Demerged Undertaking other than those referred to in Clause 5.2 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in the Resulting Company, with effect from the Appointed Date by operation of law as transmission in favour of Resulting Company. With regard to the licenses of the properties, Resulting Company will enter into novation agreements, if it is so required.
- 5.4 In respect of such of the assets and properties forming part of the Demerged Undertaking which are immovable in nature, whether freehold or leasehold, and any documents of title, rights, agreements to sell / agreements of sale and easements in relation thereto, same shall stand transferred to and be vested in Resulting Company with effect from the Appointed Date, without any act or deed done by the Demerged Company or Resulting Company, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfill all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Resulting Company by the appropriate authorities pursuant



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to the sanction of the Scheme by the NCLT and in accordance with the terms hereof. The Demerged Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to the Resulting Company.

- 5.5 Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings situated in India, whether owned or leased, for the purpose of, inter alia, payment of stamp duty and vesting in Resulting Company, if Resulting Company so decides, the Parties, whether before or after the Effective Date, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favor of Resulting Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme.
- 5.6 Upon the Scheme coming into effect and with effect from the Appointed Date, all rights entitlements, licenses, applications and registrations relating to copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of every kind and description, whether registered or unregistered or pending registration, and the goodwill arising therefrom, relating to the Demerged Undertaking, to which either the Demerged Company is a party or to the benefit of which the Demerged Company may be / was eligible or entitled, shall become the rights, entitlement or property of Resulting Company and shall be enforceable by or against Resulting Company, as fully and effectually as if, instead of the Demerged Company, Resulting Company had been a party or beneficiary or obligee thereto or the holder or owner thereof.
- 5.7 Upon effectiveness of the Scheme,
- a. The Demerged Company may, at its sole discretion but without being obliged to, give notice in such form as it may deem fit and proper, to such persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, debenture or

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deposit relating to the Demerged Undertaking stands transferred to and vested in Resulting Company and that appropriate modification should be made in their respective books / records to reflect the aforesaid changes.

- b. all liabilities relating to and comprised in the Demerged Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Demerged Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations of Demerged Undertaking, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, without any further act, instrument, deed, matter or thing.
- c. In so far as any Encumbrance in respect of liabilities is concerned, such Encumbrance shall, without any further act, instrument or deed being required to be taken or modified, be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been Encumbered in respect of the liabilities as transferred to Resulting Company pursuant to the Scheme. Provided that if any of the assets comprised in the Demerged Undertaking which are being transferred to Resulting Company pursuant to this Scheme have not been Encumbered in respect of the liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- d. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Demerged Undertaking are concerned, the Encumbrance, if any, over such assets relating to the liabilities shall without any further act, instrument or deed being required, be released and the Demerged Company shall be discharged from the obligations and Encumbrances relating to the same.
- e. in so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which continue with the Demerged Company shall without any further act, instrument or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities.

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- f. If the Demerged Company is entitled to any unutilized credits (including accumulated losses and unabsorbed depreciation), benefits under the state or central fiscal / investment incentive schemes and policies or concessions relating to the Demerged Undertaking under any Tax law or Applicable Law, Resulting Company shall be entitled, as an integral part of the Scheme, to claim such benefit or incentives or unutilised credits as the case may be without any specific approval or permission. Without prejudice to the generality of the foregoing, in respect of unutilized input credits of goods and service tax of the Demerged Company, the portion which will be attributed to the Demerged Undertaking and be transferred to Resulting Company shall be determined by the Board of the Demerged Company in accordance with the Applicable Law.
- g. Subject to Clause 16 and any other provisions of the Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by Resulting Company, issue notices in such form as Resulting Company may deem fit and proper, stating that pursuant to the NCLT having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- h. On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Demerged Undertaking, shall be accepted by the bankers of Resulting Company and credited to the account of Resulting Company, if and when presented by Resulting Company.
- i. The Resulting Company shall at any time upon the Scheme coming into effect and in accordance with the provisions hereof, if so required under any Law or otherwise execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Demerged Undertaking to which the Demerged Company has been a party, in order to give formal effect to the above provisions.

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- j. Upon the Scheme coming into effect on the Effective Date and with effect from Appointed Date, in relation to the assets forming part of the Demerged Undertaking, if any, separate documents is required for vesting of such assets in the Resulting Company, or which the Demerged Company and/ or the Resulting Company otherwise desire to be vested separately, the Demerged Company and the Resulting Company will execute such deeds, documents or such other instruments, if any, as may be mutually agreed.
- k. It is hereby clarified that if any assets of the Demerged Undertaking, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such asset in trust for the benefit of the Resulting Company.

6. ENCUMBRANCES

- 6.1 The transfer and vesting of the assets comprised in the business of the Demerged Undertaking of the Demerged Company, to and in the Resulting Company under clause 5 of this Scheme shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.
- 6.2 In so far as any Encumbrance in respect of liabilities is concerned, such Encumbrance shall, without any further act, instrument or deed being required to be taken or modified, be extended to, and shall operate only over the assets comprised in the Demerged Undertaking which have been Encumbered in respect of the liabilities as transferred to Resulting Company pursuant to the Scheme. Provided that if any of the assets comprised in the Demerged Undertaking which are being transferred to the Resulting Company pursuant to this Scheme have not been Encumbered in respect of the liabilities, such assets shall remain unencumbered, and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or trustee, or third party shall not affect the operation of the above.
- 6.3 All the existing securities, mortgages, charges, Encumbrances or liens, if any, as on the Appointed Date and created by the Demerged Company after the Appointed Date, over the assets comprised in the business of the Demerged Undertaking, or any part thereof transferred to the Resulting Company by virtue of this Scheme and in so far as

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such Encumbrances secure or relate to liabilities of the Demerged Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Resulting Company, and such Encumbrances shall not relate or attach to any of the other assets of the Resulting Company.

6.4 In so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrance over such assets relating to any liabilities which are not transferred to the Resulting Company pursuant to this Scheme and which continue with the Demerged Company shall without any further act, instrument or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities.

6.5 It is expressly provided that, no other term or condition of the liabilities transferred to the Resulting Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or to the extent guarantees are replaced or otherwise by necessary implication.

6.6 The provisions of this Clause 6 shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

7. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

7.1 Upon coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, including contracts for tenancies and licenses, deeds, bonds, agreements, incentives, benefits, exemptions, entitlements, arrangements, escrow arrangements and other instruments of whatsoever nature in relation to Demerged Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Resulting Company and may be enforced as fully

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and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto.

- 7.2 The Resulting Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings, confirmations or novations or tripartite arrangements with any party to any contract or arrangements to which the Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions.
- 7.3 It is hereby clarified that if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking to which the Demerged Company is a party, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company.
- 7.4 Upon the Scheme coming into effect on the Effective Date and with effect from Appointed Date, all consents, agreements, permissions, all statutory or regulatory licenses, certificates, insurance covers, clearances, authorities and power of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking, shall stand transferred to the Resulting Company in accordance with Applicable Laws, as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company. In so far as the various incentives, subsidies, schemes, special status and other benefits or privileges enjoyed, granted by any governmental body, local authority, or by any other person, or availed by the Demerged Company in relation to the Demerged Undertaking are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions as applicable to the Demerged Company, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Resulting Company.

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8. EMPLOYEES AND STAFF

- 8.1 Upon the effectiveness of this Scheme and with effect from the Effective Date, Resulting Company undertakes to engage, without any interruption in service, all employees engaged in or in relation to the Demerged Undertaking, on terms and conditions no less favourable than those on which they are engaged by the Demerged Company. Resulting Company undertakes to continue to abide by any agreement / settlement or arrangement entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid employees or union representing them. Resulting Company agrees that the services of all such employees of the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral / terminal benefits. The decision on whether or not an employee is part of the Demerged Undertaking shall be decided by the Board of Directors of Demerged Company, and such decision shall be final and binding on all concerned Parties.
- 8.2 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, as the case may be, will be transferred respectively to such provident fund, gratuity fund and superannuation funds nominated by Resulting company and/or such new provident fund, gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, by Resulting Company. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the said employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Demerged Company.
- 8.3 With effect from the date of filing of the Scheme with the NCLT and up to and including the Effective Date, the Demerged Company shall not vary the terms and conditions of employment of any of the employees pertaining to the Demerged Undertaking except in the ordinary course of business or without the prior consent of the Board of Directors of Resulting Company or pursuant to any pre-existing obligation undertaken by the Demerged Company.

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9. LEGAL PROCEEDINGS

9.1 Upon coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) ("Proceedings") by or against the Demerged Company under any statute, pending on the Appointed Date, relating to the Demerged Undertaking, shall be continued and enforced by or against the Resulting Company after the Effective Date, to the extent legally permissible. To the extent such Proceedings cannot be taken over by the Resulting Company, the Proceedings shall be pursued by the Demerged Company as per the instructions of and entirely at the costs and expenses of the Resulting company. In the event that such liability is incurred or such claim or demand is made upon the Demerged Company pertaining to the Demerged Undertaking, then the Resulting Company shall reimburse and indemnify the Demerged Company for any payments made in relation to the same. The Demerged Company and the Resulting Company shall take appropriate steps in the respective court or forum of the Proceedings before which they are pending to appropriately substitute the name of the plaintiff, defendant, petitioner, respondent or other in the cause title respectively from that of the Demerged Company to the name of the Resulting Company, on due approval or sanction of such court or forum as appropriate.

9.2 Any Proceedings by or against the Demerged Company under any statute, pending on the Appointed Date, whether or not in respect of any matter arising before the Effective Date relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company. The Resulting Company shall in no event be responsible or liable for or in relation to any such Proceeding by or against the Demerged Company.

10. CONSIDERATION

10.1 Upon the Scheme coming into effect and in consideration of the transfer and vesting of the Demerged Undertaking of Demerged Company with the Resulting Company

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pursuant to this Scheme and subject to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis, to each shareholder of the Demerged Company, whose name is recorded in the register of members as member of the Demerged Company as on the Record Date, as follows:

*"46,481 (Forty-Six Thousand Four Hundred and Eighty-One) **equity shares of the Resulting Company** of face value of INR 10/- (Rupees Ten Only) each fully paid up for every 100 (Hundred) **equity shares of the Demerged Company** of face value of INR 10/- (Rupees Ten Only) each fully paid up."*

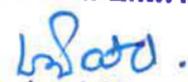
- 10.2 The equity shares to be issued and allotted pursuant to the demerger of the Demerged Undertaking into the Resulting Company under this Scheme shall be subject to the provisions of the memorandum of association and articles of association of Resulting Company and shall rank pari passu in all respects with any existing equity shares of the Resulting Company after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the shares of the Resulting Company.
- 10.3 The issue and allotment of the shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law as may be applicable, were duly complied with. It is clarified that the approval of the members of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of shares of the Resulting Company.
- 10.4 Subject to Applicable Laws, the equity shares that are to be issued in terms of this Scheme shall be issued in dematerialized form. The register of members maintained by the Resulting Company and/ or, other relevant records, whether in physical or electronic form, maintained by the Resulting Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Resulting Company) be updated to reflect the issue of the shares in terms of this Scheme. The shareholders of the Demerged Company who hold shares

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in physical form, should provide the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required, to the Resulting Company, prior to the Record Date to enable it to issue the equity shares. However, if no such details have been provided to the Resulting Company by the shareholders holding shares in physical share certificates on or before the Record Date, the Resulting Company shall deal with the relevant equity shares in such manner as may be permissible under the Applicable Law, including by way of issuing the corresponding shares in dematerialized form to a trustee nominated by the Board of Resulting Company ("Trustee of Resulting Company") who shall hold these equity shares in trust for the benefit of such shareholder. The equity shares of Resulting Company held by the Trustee of Resulting Company for the benefit of the shareholder shall be transferred to the respective shareholder once such shareholder provides details of his/her/its demat account to the Trustee of Resulting Company, along with such other documents as may be required by the Trustee of Resulting Company. The respective shareholders shall have all the rights of the shareholders of the Resulting Company, including the right to receive dividend, voting rights and other corporate benefits, pending the transfer of equity shares from the Trustee of Resulting Company. All costs and expenses incurred in this respect shall be borne by Resulting Company.

- 10.5 For the purpose of the allotment of the shares, pursuant to this Scheme, in case any shareholder's holding in the Demerged Company is such that the shareholder becomes entitled to a fraction of a share of the Resulting Company, the Resulting Company shall not issue fractional shares to such shareholder and shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated shares to a trustee (nominated by the Board of the Resulting Company in that behalf) in dematerialised form, who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders of the Demerged Company to whom they belong ("Record Date Shareholders") for the specific purpose of selling such shares in the market at such price or prices and at such time or times, within a period of 90 days from the date of allotment of shares, as the trustee may, in its sole discretion, decide and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds shall be rounded off to the nearest Rupee. It is

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clarified that any such distribution shall take place only on the sale of all the fractional shares of the Resulting Company pertaining to the fractional entitlements. To the extent any Record Date Shareholder requires any consents, approvals or waivers (including any governmental approvals under applicable law) to receive such consideration, such shareholder shall be liable to procure the same prior to any distributions being made by the trustee.

- 10.6 The shares to be issued pursuant to this Scheme in respect of any equity shares of the respective Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance.
- 10.7 The shares to be issued by the Resulting Company in lieu of the shares of the Demerged Company held in the respective unclaimed suspense account of the Demerged Company shall be issued to a new unclaimed suspense account created for shareholders of the Demerged Company.
- 10.8 The shares to be issued by the Resulting Company in lieu of the shares of the Demerged Company held in the Investor Education and Protection Fund shall be credited to the Investor Education and Protection Fund.
- 10.9 In the event, any or all of the Parties restructure their share capital by way of share split /consolidation/ issue of bonus shares during the pendency of the Scheme, the share exchange ratio stated in Clause 10.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions undertaken by such Party.
- 10.10 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of the Resulting Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Demerged Company, after the effectiveness of this Scheme.

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- 10.11 If necessary, the Resulting Company shall before allotment of the equity shares in term of the Scheme, increase, reclassify, and/or restructure its authorized share capital in such manner and by such amount as may be necessary to satisfy its obligation under the provisions of the Scheme in compliance with the applicable provisions of the Act and the Rules thereunder.
- 10.12 Approval of this Scheme by the shareholders of the Resulting Company shall be deemed to mean that the shareholders have also accorded all relevant consents under the Act for the issue and allotment of the equity shares under this Clause by the Resulting Company to each of the shareholders of the Demerged Company.
- 10.13 The Resulting Company shall apply for listing of the new equity shares of the Resulting Company on the Stock Exchanges in terms of and in compliance of SEBI Circular and other relevant provisions as may be applicable. The new equity shares allotted by the Resulting Company, pursuant to the Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange.
- 10.14 The Resulting Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges and SEBI Circular.

11. ACCOUNTING TREATMENT IN THE BOOKS OF DEMERGED COMPANY

Upon the Scheme becoming effective and with effect from the Appointed Date, the demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company shall be accounted for, in the books of the Demerged Company, in the following manner:

- 11.1. The Demerged Company shall de-recognize the carrying values of the tangible assets, intangible assets, financial assets and liabilities and other assets and liabilities and reserves (including capital reserve) and balance in Other Comprehensive relating to the Demerged Undertaking as on the Appointed Date, that are transferred to Resulting Company pursuant to this Scheme;

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11.2. The difference of the excess of the book value of assets over the book value of liabilities and reserves and other balances as stated above of the Demerged Undertaking, as transferred to the Resulting Company in accordance with Clause 11.1. shall be adjusted in the following order:

(1) Securities Premium Reserve and (2) Retained Earnings in the books of the Demerged Company.

11.3. The adjustment to the securities premium (as per clause 11.2 above) shall be effected as an integral part of the Scheme, pursuant to the order of the NCLT sanctioning this Scheme, under Section 230 of the Act. The order of the NCLT sanctioning this Scheme shall also include approval and confirmation of such reduction in the securities premium of the Demerged Company to the extent so required. Accordingly, as provided in the Explanation to Section 230(12) of the Act, the provisions of Section 66 of the Act shall not apply to such reduction of securities premium of the Demerged Company, effected in pursuance of the said order of the NCLT. Notwithstanding the reduction in the securities premium of the Demerged Company, the Demerged Company shall not be required to add "And reduced" as a suffix to its name.

12. ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY

Upon the Scheme becoming effective and with effect from the Appointed Date, the Resulting Company shall account for the transfer of the Demerged Undertaking in its books in accordance with the principles laid down in Appendix C of Indian Accounting Standard (Ind AS) 103 – "Business Combinations", dealing with business combinations of entities or businesses under common control, as notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, and other relevant provisions, as amended from time to time.

Accordingly, the Resulting Company shall:

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- a) Recognise all the assets (including intangible assets) and liabilities pertaining to the Demerged Undertaking at their respective carrying amounts appearing in the books of the Demerged Company as on the Appointed Date;
- b) Recognise all the balances in the reserves (including Capital Reserve), Other Comprehensive Income and Retained Earnings pertaining to the Demerged Undertaking as on the Appointed Date;
- c) Not record any goodwill on such transfer, as the transaction is a business combination under common control, and shall apply the pooling of interests method of accounting;
- d) The financial information in the financial statements of the Resulting Company in respect of prior period should be restated as if the business combination has occurred from the beginning of the preceding period in the financial statements irrespective of actual date of combination to ensure compliance with the requirements under Appendix C of Ind AS 103;
- e) The identity of reserves shall be preserved, and the difference, if any, between the value of net assets acquired and the face value of equity shares issued, if any, shall be recorded as an adjustment to "capital reserve" or such other reserve as applicable, and not routed through the statement of profit and loss;
- f) Ensure that the accounting policies of the Resulting Company are applied consistently to the assets, liabilities, and transactions of the Demerged Undertaking, and where necessary, appropriate adjustments shall be made to align the accounting policies.

13. CHANGE OF NAME OF RESULTING COMPANY

- 13.1. With effect from the Effective Date, the name of the Resulting Company shall be changed to "Reid & Taylor Fashions Limited" or changed to such other name as may be approved by the Registrar of Companies. The change in the name of the Resulting Company shall be effected without any further act or deed and as an integral part of the Scheme itself and the approval of the Scheme by shareholders of the Resulting Company and the order of the NCLT sanctioning this Scheme shall be deemed to be a sufficient compliance of the provisions of the Act and no further resolution(s) under section 13, section 14 and section 16 of the Act or any other applicable provisions of the Act is required would be required to be passed. However, Resulting Company will

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make necessary filings to the concerned Registrar of Companies to amend the memorandum of association and articles of association.

14. RETAINED BUSINESS OF DEMERGED COMPANY

- 14.1 The Retained Business of the Demerged Company and all the assets, properties, rights, liabilities and obligations pertaining thereto, shall continue to belong to and be vested in and be managed by Demerged Company, and Resulting Company shall have no right, claim or obligation in relation to the Retained Business of Demerged Company.
- 14.2 All the legal, taxation and other proceedings whether civil or criminal (including before any statutory authority or quasi-judicial authority or tribunal) by or against Demerged Company under any statute, whether relating to the period prior to or after the Appointed Date and whether pending on the Appointed Date or which may be instituted in the future, whether or not in respect of any matter arising before the Effective Date and relating to the retained business of Demerged Company (including those relating to any property, right, power or liability, obligation or duty of Demerged Company in respect of the Retained Business of Demerged Company and any income tax liability) shall be continued and enforced by or against Demerged Company even after the Effective Date.
- 14.3 Up to and including the Effective Date
- a. Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Retained Business of the Demerged Company for and on its own behalf.
 - b. All profits accruing to the Remaining Business or losses arising or incurred to the Remaining Business (including the effect of taxes, if any, thereon) shall for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company; and
 - c. All assets and properties acquired in relation to respective Retained Business on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.

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15. INTER-SE TRANSACTIONS

- 15.1 With effect from the Appointed Date, all inter-party transactions between the Demerged Company (in relation to the Demerged Undertaking) and Resulting Company shall be considered as intra-party transactions for all purposes from the Appointed Date and on the coming into effect of this Scheme, the same shall stand cancelled without any further act, instrument or deed above clause has no impact.
- 15.2 Further, it is clarified that the above clause has no impact whatsoever on any taxes in the form of income-tax, goods and service tax, service tax, works contract tax, value added tax etc. paid on account of such transactions. The taxes paid shall be deemed to have been paid by or on behalf of the Resulting Company, as the case may be, and on its own account and therefore, the Resulting Company, as the case may be, will be eligible to claim the credit / refund of the same and is also entitled to revise returns, as may be necessary, to give effect to the same.

PART III - GENERAL TERMS AND CONDITIONS

16. COMPLIANCE WITH TAX LAWS

- 16.1 On or after the Effective Date, the Demerged Company is expressly permitted to revise, its financial statements and returns along with prescribed forms, filings and annexures under the IT Act (including for the purpose of re-computing minimum alternative tax, and claiming other tax benefits), Service Tax law, VAT law, Goods and Service Tax law and other tax laws, and to claim refunds and / or credits for taxes paid (including tax on book profits, MAT credit and foreign tax credit) and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme notwithstanding that the period of filing / revising such returns / forms may have lapsed and period to claim refund / credit also elapsed upon this Scheme becoming effective.
- 16.2 All tax assessment proceedings / appeals (including application and proceedings in relation to advance ruling) of whatsoever nature by or against the Demerged Company (relating to the Demerged Undertaking), pending and / or arising at the Appointed Date, shall be continued and / or enforced until the Effective Date as desired by the Resulting



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Company, as the case maybe. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Resulting Company, as the case maybe, in the same manner and to the same extent as it would or might have been continued and enforced by or against the Demerged Company (relating to the Demerged Undertaking).

- 16.3 Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of demerger and vesting of Demerged Undertaking of Demerged Company into Resulting Company or anything contained in the Scheme.
- 16.4 Any tax liabilities including but not limited to liabilities under the IT Act, Foreign Tax Credit, Tax Treaties, Customs Act 1962, Service Tax laws, VAT laws, Goods and Service Tax laws or other Applicable Laws / regulations dealing with taxes / duties / levies allocable or related to the Demerged Undertaking of the Demerged Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Resulting Company, as the case maybe.
- 16.5 Any refund including but not limited to refund under the IT Act, Foreign Taxes, Customs Act 1962, Service Tax laws, Value Added Tax laws, Goods and Service Tax laws or other Applicable Laws / regulations dealing with taxes / duties / levies allocable or related to the Demerged Undertaking of the Demerged Company and due to the Demerged Company consequent to the assessment made on the Demerged Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Resulting Company, as the case maybe.
- 16.6 All taxes including income-tax, minimum alternate tax, foreign taxes, custom duty, service tax, goods and service tax, etc. paid or payable by the Demerged Company (relating to the Demerged Undertaking) in respect of their operations and / or the profits of the business before the Appointed Date, shall be on account of the Demerged Company and, in so far as it relates to the tax payment (including, without limitation, income-tax, minimum alternate tax, custom duty, service tax, goods and service tax,



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etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company (relating to the Demerged Undertaking) in respect of their profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.

- 16.7 Further, any tax deducted at source by the Demerged Company/Resulting Company on payables to the Demerged Company/Resulting Company on account of inter-se transactions which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.
- 16.8 Obligation for deduction of tax at source on any payment made by or to be made by the Demerged Company (relating to the Demerged Undertaking) including but not limited to obligation under the IT Act, Service Tax laws, Customs law, Goods and Service tax law or other Applicable Laws / regulations dealing with taxes / duties / levies shall be made or deemed to have been made and duly complied with by the Resulting Company , as the case maybe.
- 16.9 Without prejudice to the generality of the above, all benefits, incentives, losses, credit for tax including on book profits, accumulated losses, credits (including, without limitation income tax, excise duty, service tax, applicable state value added tax, cenvat credit, goods and service tax credit, etc.) to which the Demerged Company is entitled (if the same is in relation to the Demerged Company), shall be available to and vest in the Resulting Company, as the case maybe, if eligible as per the provisions of the IT Act on and after the Appointed Date, even if such credits have not been availed off in the books as on the date of transfer. Also, the Resulting Company, will be entitled to avail Cenvat Credit / Goods and Service Tax Credit after the Appointed Date in respect of all duties / taxes where the documents are in the name of the Demerged Company (if it is related to the Demerged Undertaking). Further, licenses issued to the Demerged Company (relating to the Demerged Undertaking) by any regulatory authorities, if any, and all benefits and tax credits, if any, associated with it shall stand transferred to the Resulting Company, as the case maybe, upon the Scheme becoming effective.

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17. CONDUCT OF BUSINESS UNTIL AND AFTER THE EFFECTIVE DATE

17.1 With effect from the Appointed Date and up to and including the Effective Date, the Demerged Company shall carry on and be deemed to have carried on its business and activities relating to the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of its business relating to the Demerged Undertaking for and on account of and in trust for the Resulting Company:

17.1.1 Carry on the business of the Demerged Undertaking, in either name as the circumstances may be, for those unfinished or incomplete business, contracts, transactions which may be necessary to be transacted and completed;

17.1.2 All the profits or income accruing or arising to the Demerged Company or expenditure or losses incurred by the Demerged Company relating to the Demerged Undertaking shall for all purposes be treated and deemed to be the profits or income or expenditure or losses (as the case may be) of the Resulting Company; and

17.1.3 The Demerged Company shall carry on its business and activities relating to the Demerged Undertaking with reasonable diligence and business prudence and shall not venture into/expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof relating to the Demerged Undertaking except in the ordinary course of business without the prior consent of the Resulting Company.

17.1.4 All taxes (including income tax, MAT, GST, Customs duty, service tax, VAT, etc.) paid or payable by the Demerged Company in respect of the operations and / or the profits of the business relating to the Demerged Undertaking before the Appointed Date, shall be on account of the Demerged Company and, insofar as it relates to the tax payment (Including, without limitation, income tax, MAT, GST, Customs duty, service tax, VAT, etc.) whether by way of deduction at source, advance tax or otherwise however, by the Demerged Company in respect of the profits or activities or operations of its business relating to the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.

17.1.5 Any of the rights, powers, authorities or privileges attached, related or forming

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part of the Demerged Undertaking, exercised by Demerged Company shall be deemed to have been exercised by Demerged Company for and on behalf of, and in trust for and as an agent of Resulting Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Demerged Undertaking that have been undertaken or discharged by Demerged Company shall be deemed to have been undertaken/ discharged for and on behalf of Resulting Company.

17.2 The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Demerged Company may require to carry on the business relating to the Demerged Undertaking.

17.3 For the avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified as follow:

17.3.1 With effect from the Effective Date and till such time that the name of the bank accounts of the Demerged Company (relating to the Demerged Undertaking) has been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Demerged Company (relating to the Demerged Undertaking) in the name of the Resulting Company in so far as may be necessary. All cheques and negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company (relating to the Demerged Undertaking) after the Effective Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company if presented by the Resulting Company. Similarly, till the time any regulatory registrations of the Demerged Company (relating to the Demerged Undertaking) are closed / suspended and regulatory filings are required to be done on such registrations, the Resulting Company shall be entitled to do so to comply with the relevant regulations.

17.3.2 With effect from the Effective Date, the Resulting Company shall be entitled to use all packed/ labeled goods, packing materials, cartons, stickers, wrappers,

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labels, containers, point of sale material, sign board, samples, closures, other publicity material, etc. lying unused with the Demerged Company (relating to the Demerged Undertaking) or its vendors, suppliers or third party or in their supply chain or distribution channel and which the Demerged Company is entitled to use under any statutes/ regulations, till such time as all of such stock exhaust without making any amendment on those goods or materials.

With a view to avoid any disruption of business, to ensure continuity of operations and exports and to maintain the same quality of product, with effect from the Effective Date and till such time all critical licenses, product registrations, marketing authorizations, permits, quotas, approvals, incentives, subsidies, etc. of Demerged Company (relating to the Demerged Undertaking) is transferred, recorded, effected and/or perfected, in the record of the relevant governmental / regulatory authorities in all applicable jurisdictions in favour of Resulting Company, the Resulting Company shall carry on and be deemed to have been carrying on all the business and activities of the Demerged Undertaking in the name and style of the Demerged Undertaking as carried on by the Demerged Company and under the relevant licenses, product registrations, marketing authorizations, permits, quotas, approvals, incentives, subsidies, etc. of Demerged Company. Further, during such period, Resulting Company can procure or use or manufacture, all material and product including packed/ labeled goods, packing materials, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, other publicity material, etc. in the name and form/format of the Demerged Company.

18. VALIDITY OF RESOLUTIONS

Upon the coming into effect of the Scheme, the resolutions passed by the Board of Directors and/or shareholders of the Demerged Company (relating to the Demerged Undertaking) as are considered necessary by the Board of Directors of the Resulting Company, as the case maybe, and which are valid and subsisting shall continue to be valid and subsisting and be considered as the resolutions of the Resulting Company, as the case maybe, and if any such resolutions have monetary limits approved under

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the provisions of the Act, or any other applicable statutory provisions , then the said limits as are considered necessary by the Board of Directors of the Resulting Company, as the case maybe, shall be added to the limits if any, under like resolutions passed by the Board of Directors and/or the shareholders of the Resulting Company, as the case maybe, and shall constitute the aggregate of the said limits in the Resulting Company, as the case maybe.

19. DIVIDENDS

19.1 The Companies shall be entitled to declare and pay dividends to their respective shareholders in the ordinary course of business, whether interim or final.

19.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of any of the Companies, as the case may be, to demand or claim or be entitled to any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of the Demerged Company or Resulting Company, as the case may be, and subject to approval, if required, of the shareholders of the Demerged Company or Resulting Company, as the case may be.

20. APPLICATION TO THE TRIBUNAL

The Companies, with all reasonable dispatch, shall make necessary applications / petitions jointly and / or severally before the Tribunal for the sanction of this Scheme under Sections 230 to 232 and other applicable provisions of the Act.

21. MODIFICATIONS / AMENDMENTS TO THE SCHEME

The Companies, through their respective Board of Directors, may make and / or consent to any modifications / amendments to this Scheme or to any conditions or limitations that the Tribunal or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them or the Board, including the withdrawal of this Scheme or part thereof. The Board of Directors of the Companies shall take all such steps as may be necessary, desirable,

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or proper to resolve any doubts, difficulties or questions, including interpretation of the Scheme, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith. The power of the Boards of Directors to modify / amend the Scheme shall be subject to the approval of the Tribunal.

22. SAVING OF CONCLUDED TRANSACTIONS

The vesting of Demerged Undertaking of Demerged Company into Resulting Company, pursuant to this Scheme, shall not affect any transaction or proceedings already concluded or liabilities incurred, or any liabilities discharged by the Demerged Company (relating to the Demerged Undertaking) on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company, as the case maybe, shall accept and adopt all acts, deeds and things made, done and executed by the Demerged Company (relating to the Demerged Undertaking) as acts, deeds and things made, done and executed by or on behalf of the Resulting Company, as the case maybe.

23. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

23.1 The Scheme is conditional upon and subject to:

23.1.1 the approval of the Scheme by the requisite majority of the respective members and creditors and such class of persons of the Demerged Company and the Resulting Company, as required in terms of the applicable provisions of the relevant Act as well as any requirements that may be stipulated by the Appropriate Authority in this respect;

23.1.2 the approval of the shareholders of the Resulting Company through e-voting and / or other mode as may be required under any Applicable Law and the SEBI circular. The scheme is conditional upon scheme being approved by the public shareholders of the Resulting Company through e-voting in terms of para 10(a) of Part I of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and the Scheme shall be acted upon only if vote cast by the public shareholders of the Resulting Company in favour of the proposal are more than the number of votes cast by the public shareholders of the Resulting

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Company against it.

- 23.1.3 the sanction of the Appropriate Authority, being obtained under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act, if so required on behalf of the Companies.
- 23.1.4 the necessary certified copies of the order under Sections 230 to 232 of the Act, and other applicable provisions of the Act are duly filed with the Registrar of Companies;
- 23.1.5 approval of Appropriate Authorities (including Securities and Exchange Board of India) and receipt of 'No-Objection letter' from Stock Exchange where such approval or consent is necessary; and
- 23.1.6 all other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

24. EFFECT OF NON-RECEIPT OF APPROVALS

- 24.1 In the event of any of the said sanctions and approvals referred to in Clause 23 above not being obtained (or to the extent permissible under Applicable Law, waived) and / or the Scheme not being sanctioned by the Tribunal or such other competent authority / Appropriate Authorities and/ or the sanction order(s) not being passed by the NCLT as aforesaid, any of the Companies may opt to terminate this Scheme and the Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.
- 24.2 The Board of Directors of the Companies shall be entitled to withdraw this Scheme prior to the Effective Date.
- 24.3 Upon the termination of this Scheme as set out in Clause 24.1 and 24.2 above, no rights and liabilities shall accrue to or be incurred by respective Companies or their shareholders or creditors or employees or any other person. In such case, each Company shall bear its own costs and expenses or as may be otherwise mutually agreed.



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- 24.4 The Board of Directors of the Companies, shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme with effect from the Appointed Date could have adverse implications on the combined entity post the demerger.
- 24.5 If any part of this Scheme hereof is invalid, ruled illegal by any Tribunal of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Companies that such part shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to the Companies, then in such case the Companies, shall attempt to bring about a modification in the Scheme, as will best preserve, for the Companies, , the benefits and obligations of the Scheme, including but not limited to such part.

25. COSTS

All costs, charges, levies and expenses of the Companies, in relation to or in connection with or incidental to this Scheme or the implementation thereof shall be borne and paid for by the Resulting Company, unless otherwise determined by the Boards of Directors of the Companies. Provided further that all stamp duty, registration charges and other transfer charges in relation to the Scheme and the matters contemplated herein shall be borne and paid by the Resulting Company.

26. PROPERTY IN TRUST

Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Business of the Demerged Undertaking of the Demerged Company are transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Resulting Company, as the case maybe, such company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement.

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It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the relevant Parties, the Demerged Company will continue to hold the property and/or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as the case may be, in trust for and on behalf of the Resulting Company, as the case maybe.

27. SEVERABILITY

- 27.1 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Resulting Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.
- 27.2 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement amongst the Companies and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.

28. REMOVAL OF DIFFICULTIES

- 28.1 The Companies, through mutual consent and acting through their respective Boards, jointly and as mutually agreed in writing may give such directions (acting jointly) and agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions arising under this Scheme, whether by reason of any orders of NCLT or of any directive or orders of any Appropriate Authority, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/ or matters concerning or connected therewith or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those to the extent permissible under Applicable Law; and do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

29. BINDING EFFECT

Upon the Scheme becoming effective, the same shall be binding on all the Companies, Appropriate Authority and all concerned parties without any further act, deed, matter or thing.



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