

**SCHEME OF ARRANGEMENT FOR DEMERGER**  
(UNDER SECTIONS 230 to 232 READ WITH SECTIONS 13 & 14 AND OTHER APPLICABLE PROVISIONS OF  
THE COMPANIES ACT, 2013)

**BETWEEN**  
**PRICOL TRAVEL LIMITED**  
**AND**  
**PRICOL LOGISTICS PRIVATE LIMITED**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS**

**PART - 1**

**1. PREAMBLE**

**1.1 The Scheme of Arrangement for Demerger provides for:**

- a) This Scheme provides for Demerger of Cargo Business Division of Pricol Travel Limited (PTL) and transferring / vesting of the same into Pricol Logistics Private Limited (PLPL) as a going concern pursuant to the applicable provisions of the Companies Act;
- b) Conversion of Pricol Travel Limited to Pricol Travel Private Limited;
- c) This Scheme also makes provisions for various other matters consequential or related to the above and otherwise integrally connected therewith.

**1.2 The Scheme is divided into the following parts:**

Part – 1: Deals with Preamble;

Part – 2: Deals with Definitions;

Part – 3: (A) Deals with Demerger of Cargo Business Division of PTL and transferring / vesting of the same into PLPL. (B) Conversion of demerged company from Public limited into Private Limited.

Part – 4: Deals with the Accounting Treatment and General Terms;

Part– 5: Deals with the other terms and conditions that would be applicable to the entire Scheme;

**1.3 SHARE CAPITAL**

- a) The Authorised Share Capital of PTL is Rs.2,00,00,000/- divided into 20,00,000 Equity Shares of Rs.10/- each. The paid-up Share Capital of the Transferor/Demerged Company is Rs.2,00,00,000/- divided into 20,00,000 Equity Shares of Rs.10/- each.

- b) The authorised share capital of PLPL is Rs.2,00,00,000/- divided into 20,00,000 Equity Shares of Rs.10/- each. The paid-up share capital of the PLPL is Rs. 2,00,000/- divided into 20,000 equity shares of Rs.10/- each.

1.4 The circumstances which justify and that have necessitated the proposed Scheme of Arrangement for Demerger and conversion of demerged company from public limited into private limited are inter alia as follows:-

- a) PTL has Travel and Cargo business divisions. It has not been possible to exploit the potentiality of its Cargo Business Division to the optimum level. In case the said Division is demerged and transferred into a separate company, namely PLPL, the said Division, under the separate entity namely PLPL, will have a potentiality of generating good profit and expand its activities.
- b) The Scheme will lead to better and more economic control and management of the Cargo Business Division of the PTL and enable the business of the said Division to be carried on more conveniently and advantageously with greater focus and attention;
- c) The said Scheme of Arrangement for Demerger will create enhanced value for the shareholders and to reap the benefits of synergies and also to give independent focus in core areas of the respective companies, focused strategy in operations, to obtain greater facilities, for raising capital, securing and conducting trade on favourable terms and other benefits which would be in the interest of both the companies, their shareholders, creditors and all persons connected with them.
- d) The transfer of the Cargo Business Division to the PLPL under the Scheme of Demerger will enable the PTL to rationalize and streamline its management, business and finances and allow it to concentrate and focus on its remaining business;
- e) The present Scheme of Arrangement for Demerger will also provide scope for strategic investments, independent collaboration and expansion of both the Companies.
- f) The conversion of the Demerged Company from Public Limited into Private Limited will facilitate simpler regulatory compliance.

## PART – 2

### 2. DEFINITIONS

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

- 2.1 “**Act**” or “**Companies Act**” means the Companies Act, 2013 (including any statutory modification, re-enactment or amendments thereof for the time being in force);
- 2.2 “**Applicable provisions of the Act**” or “**Applicable provisions of the Companies Act**” means Section 230 to 232 reads with Section 13 & 14 and other applicable provisions of the Companies Act, 2013 ( including any statutory modification or re-enactment thereof);
- 2.3 “**Appointed Date**” means the **1st April, 2018**;
- 2.4 “**Board**” means Board of Directors;
- 2.5 “**Effective Date**” means the date on which a certified copy of the Order of the Hon’ble National Company Law Tribunal (NCLT) sanctioning this Scheme is filed with the Registrar of Companies, Tamilnadu, Coimbatore;
- 2.6 “**Tribunal**” or “**Court**” or “**NCLT**” or “**National Company Law Tribunal**” means the Hon’ble National Company Law Tribunal (NCLT) or such other forum or authority, as may be vested with any of the powers of a High Court under the Companies Act, if applicable;
- 2.7 “**PTL**” or “**Demerged Company**” or “**Transferor Company**” means Pricol Travel Limited (CIN:U63040TZ2002PLC010019) a company incorporated under the Companies Act, 1956 on 24<sup>th</sup> January, 2002 originally as Pricol Travels Limited and subsequently changed as Pricol Travel Limited with effect from 1<sup>st</sup> June, 2006 and having its registered office at 122, Ground Floor, Appuswamy Road, Red Fields, Coimbatore 641045;
- 2.8 “**PLPL**” or “**Transferee Company**” or “**Resultant Company**” or “**Resulting Company**” means Pricol Logistics Private Limited U63090TZ2018PTC030178, a company incorporated under the Companies Act, 2013 on 16<sup>th</sup> March, 2018 and having its Registered Office at No.122, Appasamy Road, Red Fields, Coimbatore 641045;
- 2.9 “**Cargo Business Division**” means all the activities of ‘Cargo Business Division’ of the Demerged Company on a going concern basis and includes the Undertaking comprising of:

- i) All assets (whether movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent, tangible or intangible) wherever situated pertaining the 'Cargo Business Division as detailed in the "**Schedule -1**";
- ii) All present and future liabilities (including contingent liabilities) arising out of the activities or operations of 'Cargo Business Division', including loans, debts, current liabilities and provisions, duties and obligations relatable to the 'Cargo Business Division' as detailed in the "**Schedule -1**";
- iii) Without prejudice to the generality of the above, the 'Cargo Business Division' shall include in particular all Licences & Approvals, permits, quotas, rights, entitlements, bids, tenders, letters of intent, expressions of interest, municipal and other statutory permissions, approvals, consents, licenses, subsidies, concessions, exemptions, remissions, tax deferrals, all other rights and benefits, lease rights, licenses, whatsoever and licenses in respect thereof, powers and facilities of every kind, nature and description utilities, power lines, electricity and other services, provisions, and incentive Schemes formulated by Central or State Government, if any, contracts and arrangements and all other interest in connection with or relating to the Cargo Business Division;
- iv) All records, files, papers, computer programs, 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 form or electronic form in connection with or relating to the Cargo Business Division.

Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the 'Cargo Business Division' or whether it arises out of the activities or operations of the 'Cargo Business Division' shall be decided by mutual agreement between the Board of Directors of PTL and PLPL;

2.10 "**Licences & Approvals**" shall mean all licences, permissions, approvals, accreditations', assignments, and grants with respect to the running of and development of Cargo Business Division and related services thereof held by the PTL;

2.11 "**Record Date**" means the date to be fixed by the Board of Directors of the Demerged Company in consultation with the Board of Directors of the PLPL for the purpose of reckoning names of the equity shareholders of the Demerged Company, who shall be entitled to receive shares of the PLPL upon coming into effect of this Scheme;

- 2.12 “**Remaining Business of the Demerged Company**” means all the undertakings, businesses, activities and operations of the Demerged Company other than the Cargo Business Division transferred to and vested in the PLPL pursuant to the Scheme, as detailed in the Balance Sheet of PTL as on 01.04.2018 and summarised herein below;

Particulars	Amount (Rupees)
<b>APPLICATION OF FUNDS</b>	
<b>Non Current Assets</b>	
<b>Fixed Assets</b>	
Tangible Assets (Net)	7,32,92,265
<b>Non Current Investments</b>	
Deferred Tax Assets	52,26,994
Long term loans & advances	1,00,95,561
<b>Current Assets</b>	
Trade Receivables	11,07,80,830
Cash & Cash Equivalents	8,97,56,459
Other Current Assets	1,87,45,463
Short Term Loans & Advances	90,19,912
<b>TOTAL</b>	<b>31,69,17,483</b>
<b>SOURCES OF FUNDS</b>	
<b>Shareholders Funds:</b>	
- Equity Share Capital	2,00,00,000
- Reserves & Surplus	5,65,06,326
<b>Non Current Liabilities</b>	
Long Term Borrowings	-
<b>Current Liabilities</b>	
Short Term Borrowings	11,51,61,770
Trade Payables	10,91,95,909
Other Current Liabilities	1,60,53,478
<b>TOTAL</b>	<b>31,69,17,483</b>

- 2.13 “**Scheme of Arrangement for Demerger**” or “**the Scheme**” or “**this Scheme**” or “**Scheme of Arrangement**” means this Scheme of Arrangement for Demerger in its present form or with any modification(s) approved, imposed or directed by the Hon’ble Tribunal.

- 2.14 “**Schedule-1**” means the Assets and Liabilities of Cargo Business Division Activities of PTL as detailed in the Balance Sheet of Cargo Business Division as on 01.4.2018 and summarized as given below:

Particulars	Amount (Rupees)
<b>APPLICATION OF FUNDS</b>	
<b>Non Current Assets</b>	
<b>Fixed Assets</b>	
Tangible Assets (Net)	5,21,04,576
<b>Non Current Investments</b>	
Long term loans & advances	1,80,00,000
<b>Current Assets</b>	
Trade Receivables	9,45,55,818
Cash & Cash Equivalents	9,97,40,666
Other Current Assets	40,60,167
Short Term Loans & Advances	64,96,213
<b>TOTAL</b>	<b>27,49,57,440</b>
<b>SOURCES OF FUNDS</b>	
<b>Shareholders' Funds:</b>	
- Reserves & Surplus	10,64,78,023
<b>Non Current Liabilities</b>	
Long Term Borrowings	50,74,964
<b>Current Liabilities</b>	
Short Term Borrowings	4,35,19,289
Trade Payables	8,37,73,415
Short term Provisions	20,72,256
<b>TOTAL</b>	<b>27,49,57,440</b>

### PART – 3

A. DEMERGER OF CARGO BUSINESS DIVISION OF THE PTL AND TRANSFERRING / VESTING OF THE SAME INTO PLPL.

- 3.1 The Cargo Business Division of the Demerged Company shall stand transferred to and vested in or deemed to be transferred to and vested in the PLPL, as a going concern, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and in the following manner:
- 3.2 With effect from the Appointed Date and upon the Scheme becoming effective, the whole of the undertaking and all the Assets of the Cargo Business Division (whether movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent, tangible or intangible), shall, pursuant to the provisions contained in Sections 230 to 232 and all other applicable provisions, if any, of the Act and without any further act, instrument, deed, or thing, stand transferred to and vested in and / or be deemed to

be transferred to and vested in the PLPL, as a going concern so as to become, as from the Appointed Date, the Assets of PLPL and to vest all the rights, title and interest therein to the PLPL.

- 3.3 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Demerged Company pertaining to Cargo Business Division shall also, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the PLPL, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the PLPL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 3.4 With effect from the Appointed Date and upon the Scheme becoming effective, all the assets relating to the Cargo Business Division of the Demerged Company as are movable in nature or incorporeal property or otherwise capable of transfer by manual delivery or by endorsement and delivery, shall be so transferred, delivered or endorsed and delivered, as the case may be, by the Demerged Company, and shall upon transfer become the property and an integral part of the PLPL.
- 3.5 All the assets acquired by the Demerged Company after the Appointed Date but prior to the Effective Date for operation of the Cargo Business Division shall also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the PLPL upon coming into effect of this Scheme.
- 3.6 For the avoidance of any doubt, upon coming into the effect of this Scheme, all the rights, interest and claims of the demerged company in any leasehold properties of the Demerged Company in relation to Cargo Business Division shall, pursuant to Section 230 to 232 of the Act, without any further act, or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the PLPL.
- 3.7 For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme, the PLPL shall at any time pursuant to the orders on this Scheme be entitled to get the recordal and appurtenant legal right(s) upon the vesting of such assets of the said Cargo Business Division in the PLPL.

- 3.8 With effect from the Appointed Date and upon the Scheme becoming effective, all statutory licenses & approvals, permits, registrations, or permissions or consents held by the Demerged Company required to carry on operations of Cargo Business Division shall stand vested in or transferred to the PLPL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the PLPL and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration, or other licenses, and consents shall vest in and become available to the PLPL as if they were originally obtained by the PLPL. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Demerged Company relating to the Cargo Business Division, are concerned, the same shall vest with and be available to the PLPL 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 PLPL.
- 3.9 Upon coming into the effect of the Scheme, the PLPL shall be entitled to get the recordal of transfer of all the registrations, permits, Licences and Approvals and all contracts and engagements and all books, papers, documents and records relating to the aforesaid Cargo Business Division upon vesting of the said Cargo Business Division in the PLPL under this Scheme.
- 3.10 The transfer and vesting of Cargo Business Division as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to the Cargo Business Division to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Cargo Business Division.
- 3.11 This Scheme has been drawn up to comply with the conditions relating to “Demerger” as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961, the provisions of Section 2 (19AA) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) of the Income-Tax Act, 1961; such modification do not affect other parts of the Scheme.
- 3.12 For the purpose of this Scheme, it is clarified that liabilities pertaining to the Cargo Business Division of PTL include:
- (a) The liabilities, which arise out of the activities or operations of Cargo Business Division of PTL.



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

3.13 Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Cargo Business Division of PTL or whether it arises out of the activities or operations of Cargo Business Division of PTL shall be decided by mutual agreement between the Board of Directors of PTL and PLPL.

#### **REMAINING BUSINESS OF THE DEMERGED COMPANY**

3.14 It is clarified that, the remaining Business of the Demerged Company shall continue with Demerged Company as follows:

3.15 The Remaining Business of the Demerged Company and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.

3.16 All legal and other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business of the Demerged Company) shall be continued and enforced by or against the Demerged Company.

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

- a. the Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business of the Demerged Company for and on its own behalf;
- b. all profit accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Remaining Business of the Demerged Company shall, for all purposes, be treated as the profit, or losses, as the case may be, of the Demerged Company.

## **CONSIDERATION**

- 3.18 Upon the Scheme becoming fully effective, in consideration of demerger and transfer and vesting of all assets and liabilities, duties, rights and obligations relating to the Cargo Business Division of the Demerged Company in the PLPL, In terms of this Scheme, the Resulting / Transferee Company shall, without any further act or deed, issue and allot, in favour of the existing shareholders of the Demerged Company 54..(Fifty Four) Equity Shares of Rs.10/- each credited as fully paid-up of the PLPL for every 100 (One Hundred) Equity Shares of Rs.10/- each fully paid-up held by the Equity Shareholders in the Demerged Company, as on the Record Date.
- 3.19 In case any member's holding in the Demerged Company is such that the member becomes entitled to fractional shares in the Resultant/Transferee Company, the Resultant/Transferee Company shall not issue any fractional shares to such member but instead consolidate such fractional shares and thereupon issue and allot Equity Shares in lieu thereof to a Director or an Officer of the Resultant/Transferee Company on the express understanding that such Director or Officer to whom such Equity Shares are allotted shall sell the same and shall distribute the net sale proceeds (after deduction of the expenses incurred) to the members of the Demerged Company in proportion to their factional entitlements.
- 3.20 The Equity Shares in the Resultant/Transferee Company to be issued to the shareholders of the Demerged Company pursuant to Clause 3.18 above shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank pari passu in all respects, including dividend, with the existing Equity Shares of the Transferee Company.
- 3.21 For the purposes of Income-tax Act, 1961:
- a) The cost of acquisition of the shares of the Transferee Company in the hands of the shareholders of the Demerged Company shall be the amount which bears to the cost of acquisition of shares held by the shareholder in the Demerged Company the same proportion as the net book value of the assets transferred in the demerger to the Transferee Company bears to the net worth of the Demerged Company immediately before the demerger hereunder;
  - b) The period for which the shares(s) in Demerged Company were held by the shareholders shall be included in determining the period for which the shares in the Transferee Company have been held by the respective shareholder.

3.22 The issue and allotment of Equity Shares by Transferee Company to the shareholders of Demerged Company as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out as if the procedure laid down under the applicable provisions of the Act were duly complied with.

**B. CONVERSION OF DEMERGED COMPANY FROM PUBLIC LIMITED INTO PRIVATE LIMITED**

Upon this Scheme becoming effective, the name of the Demerged Company shall be deemed to have been converted from “Pricol Travel Limited” to “Pricol Travel Private Limited” along with consequential amendments in the Memorandum and Articles of Association of the Demerged Company in accordance with Section 13 & 14 and other applicable provisions of the Companies Act, 2013. It is hereby clarified that for the purposes of this clause, the consent of the shareholders and / or creditors of the Demerged Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the conversion of the Demerged Company from public limited into private limited and consequential amendments in the Memorandum & Articles of Association of the Demerged Company and that no further resolution under Section 13 & 14 of the Companies Act, 2013 or any other applicable provisions of the Companies Act, 2013, would be required to be separately passed. Pursuant to this Scheme, the Demerged Company shall file the requisite forms with the Registrar of Companies for conversion of demerged company from public limited into private limited and consequential amendments in the Memorandum and Articles of Association.

**PART – 4**

**ACCOUNTING TREATMENT AND GENERAL CLAUSES**

**IN THE BOOKS OF THE DEMERGED COMPANY**

4.1 The book values of all assets and liabilities pertaining to the Cargo Business Division transferred to the Resulting Company shall be reduced from the book values of the assets and liabilities appearing in the books of PTL.

4.2 The difference between the book value of assets and book value of liabilities transferred pursuant to the Scheme shall be adjusted against the available balance in the Reserve & Surplus / Profit and Loss Account of the Demerged Company. The application and reduction, if any, of the Reserves & Surplus Account of PTL as above, shall be effected as an integral part of the Scheme itself in accordance with the provisions of Section 52 of Companies Act, 2013. However as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital. Therefore no order under Section 66 of the Act confirming the reduction shall be required.

## **IN THE BOOKS OF PLPL, (THE RESULTING / TRANSFEREE COMPANY)**

4.3 Upon the Scheme becoming effective:

4.3.1 The Transferee/Resulting Company namely PLPL shall record the assets and liabilities pertaining to Cargo Business Division, at the respective book values as appearing in the books of PTL as on the Appointed Date;

4.3.2 The Transferee Company shall credit to its share capital account, the aggregate face value of the Equity Shares issued by it pursuant to this Scheme;

4.3.3 The difference being excess of assets over liabilities recorded by the Transferee Company, over the amount credited as share capital will be deemed to be and shall be treated as general reserve arising (not created) on acquisition of business pursuant to Demerger of the Transferor Company and such General Reserve shall be considered to be available for any purpose including but not limited to declaration of dividends and meeting specified expenses, losses and / or charges whether by way of depreciation or otherwise, as the Board may consider appropriate. In case of there being a shortfall, the same shall be debited to and carried forward as Goodwill.

4.4 However, the entire accounting treatment in the books of accounts of the Demerged Company and the Resultant Company shall be subject to the applicable accounting standard prescribed under Section 133 of the Companies Act, 2013.

## **GENERAL CLAUSES**

### **4.5 BUSINESS AND PROPERTY IN TRUST**

4.5.1 During the period between the Appointed Date and the Effective Date,

- a) PTL, in relation to the Cargo Business Division shall carry on and deemed to have carried on its business and activities and shall stand possessed of its entire business and undertakings, in trust for PLPL and shall account for the same to PLPL.
- b) All the income or profits accruing or arising to PTL, in relation to the Cargo Business Division and all costs, charges, expenses or losses incurred by PTL, in relation to the Cargo Business Division shall for all purposes be treated the income, profits, costs, charges, expenses and losses as the case may be of PLPL.
- c) PTL, in relation to the Cargo Business Division shall carry on its business and activities with reasonable diligence and business prudence and shall not alter or diversify its respective businesses nor venture into any new businesses, nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof

except in the ordinary course of business without the prior consent of PLPL or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme.

- d) PTL in relation to the Cargo Business Division shall not utilise the profits or income thereof for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of PLPL.

4.5.2 PLPL shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government(s) and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which PLPL may require to carry on the Cargo Business Division Activities.

4.5.3 PTL shall carry on the Cargo Business Division and activities since 1<sup>st</sup> April, 2018 and shall stand possessed of its entire business and undertakings, in trust for PLPL pursuant to the Scheme and shall account for the same to PLPL.

#### **PENDING SUITS, ETC.**

4.6 If any suit, appeal or other proceeding of whatever nature by or against PTL, in relation to the Cargo Business Division is pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the demerger by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against PLPL in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against PTL, as if this Scheme had not been made.

#### **CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

4.7 Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which, any of PTL, in relation to the Cargo Business Division is a party subsisting or having effect immediately before the Scheme coming into effect shall be in full force and effect against or in favour of PLPL and may be enforced as if, instead of PTL, PLPL had been a party thereto.

#### **SAVING OF CONCLUDED TRANSACTIONS**

4.8 The transfer of properties and liabilities above and the continuance of proceedings by or against PLPL above shall not affect any transaction or proceedings already concluded in PTL, in relation to the Cargo Business Division on or after the Appointed Date till the

Effective Date, to the end and intent that PLPL accept and adopt all acts, deeds and things done and executed by PTL, in relation to the Cargo Business Division, in respect thereto as done and executed on behalf of itself.

#### **4.9 STAFF, WORKMEN & EMPLOYEES**

4.9.1 On the Scheme becoming operative, all staff, workmen and employees of PTL, in relation to the Cargo Business Division in service on the Effective Date shall be deemed to have become staff, workmen and employees of PLPL without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with PLPL shall not be less favourable than those applicable to them with reference to PTL, in relation to the Cargo Business Division on the Effective Date.

4.9.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of PTL, in relation to the Cargo Business Division shall become the trusts/ funds of PLPL for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of PTL, in relation to the Cargo Business Division in relation to such Fund or Funds shall become those of PLPL. It is clarified that the services of the staff, workmen and employees of PTL, in relation to the Cargo Business Division will be treated as having been continuous for the purpose of the said Fund or Funds.

#### **PERMISSIONS**

4.10 All statutory licenses & approvals, permissions, or consents (including but not limited to all assets) to carry on the operations of Cargo Business Division of PTL, shall stand vested in or transferred to PLPL without any further act or deed and shall be appropriately mutated by the Statutory Authorities concerned in favour of PLPL upon the vesting and transfer of the Cargo Business Division pursuant to this Scheme.

## **PART – 5**

### **OTHER TERMS & CONDITIONS**

#### **Application to the Hon'ble National Company Law Tribunal**

5.1 The PTL and PLPL shall, with all reasonable dispatch, make joint applications / joint petitions under sections 230 to 232 read with Section 13 & 14 and other applicable provisions of the Companies Act, 2013 to the Hon'ble National Company Law Tribunal for sanctioning this Scheme of Arrangement for Demerger.

#### **Modifications / Amendments to the Scheme**

5.2 The Companies concerned through their respective Board of Directors or other persons duly authorized by the respective Boards in this regard may carry out or assent to any modifications or amendments to the Scheme or to any conditions or limitations that the Hon'ble Tribunal or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and / or carrying out the Scheme. The Companies concerned through their respective Board of Directors or any person authorized by them may do all acts, deeds and things as may be necessary, desirable or expedient for giving effect to the Scheme, and the aforesaid modifications, amendments and terms and conditions; and / or may also in their full and absolute discretions, withdraw or abandon the Scheme at any stage of the proceedings. For the purpose of giving effect to the Scheme after it is sanctioned by the Tribunal, the Board of Directors of the respective companies are authorized to identify / allocate / apportion the assets and liabilities covered under the Scheme.

#### **Operative date of the Scheme**

5.3 The Scheme shall be effective with effect from the Appointed Date i.e. 1<sup>st</sup> April, 2018, but shall be operative from the Effective Date.

#### **Scheme conditional on approval/sanctions:**

5.4 This Scheme is conditional on and is subject to:-

- a) The sanction of the Hon'ble National Company Law Tribunal under Section 230 to 232 read with Section 13 & 14 and other applicable provisions of the Companies Act, 2013 being obtained; and

- b) All necessary certified copies of the orders referred to in the Scheme being filed with the Registrar of Companies, Tamilnadu, Coimbatore.

**Effect of non-receipt of approvals/sanctions**

- 5.5 In the event of the Scheme not being sanctioned by the Hon'ble Tribunal and / or the order or orders not being passed as aforesaid, the Scheme shall become null and void and in that event no rights and liabilities shall, inter se accrue between the parties in terms of the Scheme.

**Severability**

- 5.6 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 Demerged Company and the Resulting Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Demerged Company and the Resulting Company and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.

**Expenses connected with the Scheme**

- 5.7 All costs, charges and expenses of the Companies in relation to or in connection with negotiation leading up to the Scheme and of carrying out and completing the terms and provisions of this Scheme and in relation to or in connection with the Scheme and incidental to the completion of this Scheme shall be borne and paid as may be mutually agreed upon between the companies. In the event of this Scheme not being implemented each party shall bear its respective costs, charges and expenses.

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