

**SCHEME OF AMALGAMATION
OF
STERLITE POWER GRID VENTURES LIMITED
WITH
STERLITE POWER TRANSMISSION LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS
(UNDER SECTIONS 230 TO 232
AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)**

(A) PREAMBLE

This scheme of amalgamation (“**Scheme**” as defined hereinafter) provides for the amalgamation of Sterlite Power Grid Ventures Limited (Corporate Identification Number: U33120PN2014PLC172393) with Sterlite Power Transmission Limited (Corporate Identification Number: U74120PN2015PLC156643) pursuant to provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. This Scheme also provides for various other matters consequential thereto or otherwise integrally connected therewith.

(B) BACKGROUND OF THE COMPANIES

1. Sterlite Power Grid Ventures Limited (herein after referred to as “**Transferor Company**”) is a public company incorporated under the provisions of the Companies Act, 2013. The Transferor Company directly or indirectly, through its subsidiaries, acts as a developer on Build Own Operate and Maintain (“**BOOM**”) basis for designing, financing, construction and maintenance of power transmission systems for concession periods ranging from 25 to 35 years. The Transferor Company also undertakes the Engineering, Procurement and Construction contracts for construction of power transmission systems.
2. Sterlite Power Transmission Limited (herein after referred to as “**Transferee Company**”) is a public company incorporated under the provisions of the Companies Act, 2013. The Transferee Company is primarily engaged in the business of power products including power transmission conductors, optical ground wire cables and power cable and related solutions.

(C) RATIONALE FOR THE SCHEME

The Transferor Company would be a wholly owned subsidiary of the Transferee Company and the Transferor Company holds investments in various companies. It is desirous to consolidate the business activities undertaken by the Transferor Company and its investments of the Transferor Company in various entities into a single entity.

The Scheme provides for the amalgamation of the Transferor Company with the Transferee Company and will result in the following benefits:

- Streamlining of the corporate structure and consolidation of investments within the Transferee Company;
- Pooling of resources of the Transferor Company with the resources of the Transferee Company resulting in stronger balance sheet to meet future investment requirements;
- Cost savings through legal entity rationalisation; and
- Reduction of administrative responsibilities, multiplicity of records and legal & regulatory compliances.

Thus, the amalgamation is in the interest of the shareholders, creditors and all other stakeholders of the companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

(D) OPERATION OF THE SCHEME

The amalgamation of the Transferor Company with the Transferee Company will combine their business activities and operations into a single company with effect from the Appointed Date (defined herein after) and shall be in compliance with the provisions of the Income-tax Act, 1961, including Section 2(1B) or any amendments thereto.

Transferor Company would be a wholly owned subsidiary of the Transferee Company. The shares held by the Transferee Company in the Transferor Company shall be cancelled and no

shares shall be issued pursuant to the amalgamation.

(E) PARTS OF THE SCHEME:

This Scheme is divided into the following parts:

PART I deals with the definitions, interpretations and share capital of the Transferor Company and the Transferee Company;

PART II deals with the amalgamation of the Transferor Company with the Transferee Company and other related matters; and

PART III deals with general terms and conditions applicable to this Scheme.

PART I

DEFINITIONS, INTERPRETATIONS AND SHARE CAPITAL

1. DEFINITIONS

1.1. In this Scheme, unless inconsistent with the subject or context, in addition to the terms defined elsewhere in this Scheme, the following capitalised terms shall have the meaning set out below:

“Act” or “the Act” means the Companies Act, 2013 (including any statutory modifications(s) or re-enactment(s) thereof) and rules and regulations made thereunder, for the time being in force, and which may relate or are applicable to the arrangement;

“Appointed Date” means 1 April 2017;

“Applicable Law” means any applicable central, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Parties; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties;

“Appropriate Authority” means:

- (a) the government of any jurisdiction (including any central, state, municipal or local government or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;
- (b) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities; and
- (c) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority including (without limitation) the RBI, Securities and Exchange Board of India, National Electric Energy Agency (ANEEL) i.e. Brazilian Electricity Regulatory Agency and the Tribunal (as defined hereinafter).

“Board” means the Board of Directors of the Transferor Company or the Transferee Company, as the context may require, and shall include a duly constituted committee thereof;

“Effective Date” means the last of the dates on which the conditions specified in Clause 21 of this Scheme are complied with or are waived by the Board of the Transferor Company and the Transferee Company. References in this scheme to the date of **“coming into effect of this Scheme”** or **“upon the Scheme being effective”** shall mean the Effective Date;

“Encumbrance” means (i) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (ii) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, selling, assigning, pledging, hypothecating, or creating a security interest in, place in trust (voting or otherwise), receipt of income or exercise; or (iii) any equity, assignments hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above; the term **“Encumber”** shall be construed accordingly;

“Employees” means all the employees of Transferor Company as on the Effective Date;

“Indigrid” means India Grid Trust;

“InvIT Regulations” means Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014;

“INR” means Indian Rupee, the lawful currency of the Republic of India;

“Parties” shall mean collectively the Transferor Company and the Transferee Company and **“Party”** shall mean each of them, individually;

“Permits” means all consents, licences, permits, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory, regulatory under Applicable Law;

“Person” means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;

“RoC” means the Registrar of Companies, Pune having jurisdiction over the Transferor Company and the Transferee Company, as may be applicable;

“Scheme” or **“the Scheme”** or **“this Scheme”** means this scheme of amalgamation in its present form or this Scheme with such modification(s), if any made, as per Clause 20 of the Scheme from time to time, and wherever required with the appropriate approvals and sanction of the Tribunal, as may be required under the Act, and/or under Applicable Law;

“SPGVL ESAR” means the Employee Stock Appreciation Rights Scheme – 2015 of the Transferor Company;

“Taxation” or **“Tax”** or **“Taxes”** means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, goods and services tax, input tax credit, minimum alternate tax or otherwise or attributable directly or primarily to the Transferor Company or the Transferee Company or any other Person and all penalties, charges, costs and interest relating thereto;

“Tax Laws” means all Applicable Laws, acts, rules and regulations dealing with Taxes including but not limited to the income-tax, wealth tax, sales tax / value added tax, service tax, goods

and services tax, excise duty, customs duty or any other levy of similar nature;

“Transferee Company” means Sterlite Power Transmission Limited is a public company incorporated under the provisions of the Companies Act, 2013 having corporate identification number U74120PN2015PLC156643 and its registered office at 4th Floor, Godrej Millennium 9 Koregaon Road, Pune 411001;

“Transferor Company” means Sterlite Power Grid Ventures Limited is a public company incorporated under the provisions of the Companies Act, 2013 having corporate identification number U33120PN2014PLC172393, and its registered office at 4th Floor, Godrej Millennium 9 Koregaon Road, Pune 411001; and

“Tribunal” means the Mumbai bench of the National Company Law Tribunal having jurisdiction over the Transferor Company and the Transferee Company.

All terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income-tax Act, 1961, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 (as the case may be) or other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory amendment, modification or re-enactment thereof, from time to time.

1.2. Interpretation

In this Scheme, unless the context otherwise requires:

- 1.2.1. words denoting singular shall include plural and vice versa;
- 1.2.2. headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- 1.2.3. references to the word “include” or “including” shall be construed without limitation;
- 1.2.4. a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- 1.2.5. unless otherwise defined, the reference to the word “days” shall mean calendar days;
- 1.2.6. references to dates and times shall be construed to be references to Indian dates and times;
- 1.2.7. reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- 1.2.8. word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them; and
- 1.2.9. references to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives’ body (whether or not having separate legal personality).

2. SHARE CAPITAL

- 2.1. The authorised, issued, subscribed and paid-up share capital of the Transferor Company as on 31 March 2018 is as under:

Share Capital	INR
Authorised Share Capital	
1,260,000,000 equity shares of INR 10 each	12,600,000,000
470,000,000 optionally convertible redeemable preference shares of INR 10 each	4,700,000,000
Total	17,300,000,000
Issued, Subscribed and Paid-up Share Capital	
1,243,531,411 equity shares of INR 10 each	12,435,314,110
454,552,553 optionally convertible redeemable preference shares of INR 10 each	4,545,525,530
Total	16,980,839,640

As on the date of approval of the Scheme by the Board of the Transferor Company, the Transferor Company is in process of completion of buyback of its 2000 equity shares. Immediately upon completion of the buyback, the Transferor Company shall be the wholly owned subsidiary of the Transferee Company. Further, the authorised, issued, subscribed and paid-up share capital of the Transferor Company thereafter is as under:

Share Capital	INR
Authorised Share Capital	
1,260,000,000 equity shares of INR 10 each	12,600,000,000
470,000,000 optionally convertible redeemable preference shares of INR 10 each	4,700,000,000
Total	17,300,000,000
Issued, Subscribed and Paid-up Share Capital	
1,243,529,411 equity shares of INR 10 each	12,435,294,110
454,552,553 optionally convertible redeemable preference shares of INR 10 each	4,545,525,530
Total	16,980,819,640

- 2.2. The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on 31 March 2018 is as under:

Share Capital	INR
Authorised Share Capital	
80,000,000 equity shares of INR 2 each	160,000,000
36,400,000 redeemable preference shares of INR 2 each	72,800,000

Share Capital	INR
Total	232,800,000
Issued, Subscribed and Paid-up Share Capital	
61,181,902 equity shares of INR 2 each	122,363,804
18,000,000 redeemable preference shares of INR 2 each	36,000,000
Total	158,363,804

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of the Transferee Company till the date of approval of the Scheme by the Board of the Transferee Company.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme as set out herein in its present form or with any modification(s), as may be approved or imposed or directed by the Tribunal, or made as per Clause 20 of the Scheme, shall become effective from the Appointed Date, but shall be operative from the Effective Date.

PART II

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY AND OTHER RELATED MATTERS

4 AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES AND ENTIRE BUSINESS OF THE TRANSFEROR COMPANY

4.1 With effect from the Appointed Date, and subject to the provisions of this Scheme and pursuant to Section 232 of the Act, the Transferor Company shall stand amalgamated with the Transferee Company as a going concern and all assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. of the Transferor Company shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. of the Transferee Company by virtue of, and in the manner provided in this Scheme.

4.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, with effect from the Appointed Date:

4.2.1 with respect to the assets of the Transferor Company that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and/ or delivery, the same may be so transferred by the Transferor Company by operation of law without any further act or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Appointed Date;

4.2.2 subject to Clause 4.2.3 below, with respect to the assets of the Transferor Company, other than those referred to in Clause 4.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investment in shares of any body corporate, fixed deposits, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, cash and bank balances,

earnest moneys and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, whether or not the same is held in the name of the Transferor Company, 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 Transferee Company, with effect from the Appointed Date by operation of law as transmission, as the case may be, in favour of Transferee Company. With regard to the licenses of the properties, the Transferee Company will enter into novation agreements, if it is so required;

- 4.2.3 without prejudice to the aforesaid, all the immovable property (including but not limited to the land, buildings, offices, factories, sites, tenancy rights related thereto, and other immovable property, including accretions and appurtenances), whether or not included in the books of the Transferor Company, whether freehold or leasehold (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in cooperative housing societies associated with such immovable property) shall stand transferred to and be vested in the Transferee Company, as successor to the Transferor Company, without any act or deed to be done or executed by the Transferor Company, as the case may be and/ or the Transferee Company;
- 4.2.4 all debts, liabilities, duties and obligations (debentures, commercial paper, bonds, notes or other debt securities, loan from companies) of the Transferor Company shall, without any further act, instrument or deed be transferred to, and vested in, and/ or deemed to have been transferred to, and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and it shall not be necessary to obtain the consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 4;
- 4.2.5 all the brands and trademarks (including logo and right to use the trademarks) of the Transferor Company including registered and unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights trademarks and all such other industrial and intellectual property rights of whatsoever nature shall be transferred to the Transferee Company. The Transferee Company shall take such actions as may be necessary and permissible to get the same transferred and/ or registered in the name of the Transferee Company;
- 4.2.6 the vesting of the entire undertaking of the Transferor Company, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets of Transferor Company or part thereof on or over which they are subsisting on and no such Encumbrances shall extend over or apply to any other asset(s) of Transferee Company. Any reference in any security documents or arrangements (to which Transferor Company is a party) related to any assets of Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of Transferee Company. Similarly, Transferee Company shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of/ to be availed of by it, and the Encumbrances in respect of such indebtedness of Transferee Company shall not extend or be deemed to extend or apply to the assets so vested;

- 4.2.7 on and from the Effective Date and till such time that the name of the bank accounts of the Transferor Company has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Company in the name of the Transferor Company and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferor Company and credited to the account of the Transferee Company, if presented by the Transferee Company; and
- 4.2.8 without prejudice to the foregoing provisions of Clause 4, the Transferor Company and/ or the Transferee Company shall be entitled to apply to the Appropriate Authorities as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require and execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and/ or modification(s) of charge, with the concerned RoC or filing of necessary applications, notices, intimations or letters with any authority or Person, to give effect to the above provisions.
- 4.2.9 Upon the Scheme becoming effective, the obligations of the Transferor Company under SEBI (Infrastructure Investment Trusts) Regulations, 2014, including but not restricted to lock-in in respect of units held by the Transferor Company in Indigrid, shall become the obligation of the Transferee Company and the Transferee Company would be deemed to be under such obligations from the date on which such obligations arose under the InvIT Regulations, as may be applicable.
- 4.3 This Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified under Section 2(1B) and other relevant provisions of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section and other related provisions at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section and other related provisions of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) and other relevant provisions of the Income-tax Act, 1961.

5 EMPLOYEES

- 5.1 On the Scheme becoming effective, all employees of the Transferor Company on the Effective Date, shall be deemed to have become employees of the Transferee Company, without any break in their service and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Company on the Effective Date. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, validly entered into by the Transferor Company with any union/employee of the Transferor Company recognized by the Transferor Company. It is hereby clarified that the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund and superannuation fund of which the employees of the Transferor Company are members shall be transferred to such provident fund, gratuity fund and superannuation fund of the Transferee Company or to be established and caused to be recognized by the Appropriate Authorities, by the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous, uninterrupted and taken into account for the purpose of the said fund or funds.
- 5.2 Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund

dues of the employees of the Transferor Company would continue to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Transferor Company.

- 5.3 Without prejudice to the aforesaid, the Board of the Transferee Company, if it deems fit and subject to applicable laws, shall be entitled to retain separate funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company.
- 5.4 Upon the coming into effect of the Scheme, such number of stock appreciation rights outstanding and vested under the SPGVL ESAR shall be taken over and settled by the Transferee Company in cash or through any other consideration such that the same is not less favourable than the SPGVL ESAR and shall not be detrimental to the interest of the employees, as defined under the SPGVL ESAR.

6 LEGAL PROCEEDINGS

- 6.1 Any suit, petition, appeal or other proceeding of whatsoever nature and any orders of court, judicial or quasi-judicial tribunal or other governmental authorities enforceable by or against the Transferor Company including without limitation any restraining orders (including order under section 281B of the Income-tax Act, 1961) pending before any court, judicial or quasi-judicial tribunal or any other forum, relating to the Transferor Company, whether by or against the Transferor Company, pending as on the Effective Date, shall not abate or be discontinued or in any way prejudicially affected by reason of the amalgamation of the Transferor Company or of any order of or direction passed or issued in the amalgamation proceedings or anything contained in this Scheme, but by virtue of the order sanctioning the Scheme, such legal proceedings shall be continued and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Transferor Company, as if this Scheme had not been implemented.
- 6.2 After the approval of the Scheme by the Parties and until the Effective Date, the Transferor Company shall defend all legal proceedings, other than in the ordinary course of business, with the advice and instructions of the Transferee Company.
- 6.3 The transfer and vesting of the assets and liabilities under the Scheme and the continuance of the proceedings by or against the Transferee Company shall not affect any transaction or proceeding already completed by the Transferor Company between the Appointed Date and the Effective Date to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company as acts, deeds and things done and executed by and on behalf of the Transferee Company.

7 PERMITS

With effect from the Appointed Date, all the Permits held or availed of by, and all rights and benefits that have accrued to, the Transferor Company, pursuant to the provisions of Section 232 of the Act, shall without any further act, instrument or deed, be transferred to, and vest in, or be deemed to have been transferred to, and vested in, and be available to, the Transferee Company so as to become as and from the Appointed Date, the Permits, estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Laws. Upon the Effective Date and until the Permits are transferred, vested, recorded, effected, and/ or perfected, in the record of the Appropriate Authority, in favour of the Transferee Company, the Transferee Company is authorized to carry on business in the name and style of the Transferor Company, and under the relevant license and/ or permit and/ or approval, as the case may be, and the Transferee Company shall keep a record and/ or account of such transactions.

8 CONTRACTS, DEEDS, ETC.

- 8.1 All contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the business of the Transferor Company, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Company, or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before this Scheme coming into effect, shall by endorsement, delivery or recordal or by operation of law pursuant to the order of the Authority sanctioning the Scheme, and on this Scheme becoming effective be deemed to be contracts, deeds, bonds, Agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) of the Transferee Company. It is clarified that all conditions, stipulations, pre-requisites, terms laid down under any Governmental, statutory or regulatory bodies, fulfilled by the Transferor Company prior to the Effective Date, shall be deemed to have been fulfilled and complied with by the Transferee Company, post the Effectiveness of the Scheme. The Transferee Company shall be entitled to the benefit of all qualification criteria, track-record, experience, goodwill and all other rights, claims and powers of whatsoever nature and whosoever situate belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company for all intents and purposes for its business. Such properties and rights described hereinabove shall stand vested in the Transferee Company and shall be deemed to be the property and become the property by operation of law as an integral part of the Transferee Company. Such contracts and properties described above shall continue to be in full force and continue as effective as hitherto in favour of or against the Transferee Company and shall be the legal and enforceable rights and interests of the Transferee Company, which can be enforced and acted upon as fully and effectually as if it were the Transferor Company.
- 8.2 Upon this Scheme becoming effective, the rights, benefits, privileges, duties, liabilities, obligations and interest whatsoever, arising from or pertaining to contracts and properties, shall be deemed to have been entered into and stand assigned, vested and novated to the Transferee Company by operation of law and the Transferee Company shall be deemed to be the Transferor Company' substituted party or beneficiary or obligor thereto. It being always understood that the Transferee Company shall be the successor in the interest of the Transferor Company. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company, shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Company.
- 8.3 The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf and in the name of the Transferor Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Company.
- 8.4 Without prejudice to the provisions of this Scheme, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes, from the Appointed Date. Any taxes (including tax deducted at source or dividend distribution tax) paid in relation to such

transaction shall, to the extent permissible by applicable law, be claimed as a refund.

- 8.5 The Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Company and the name of the Transferee Company shall be substituted as "Insured" in the policies as if the Transferee Company was initially a party thereto.
- 8.6 Any inter-se contracts between the Transferor Company on the one hand and the Transferee Company on the other hand shall cease to operate upon the coming into effect of this Scheme.

9 TAXES/ DUTIES / CESS ETC.

Upon the Scheme becoming effective, by operation of law pursuant to the order of the Tribunal:

- 9.1 The unutilized credits relating to excise duties, sales tax, service tax, VAT, GST or any other Taxes by whatever name called as applicable which remain unutilised in the electronic ledger of the Transferor Company shall be transferred to and vest in the Transferee Company. Thereafter the unutilized credit so specified shall be credited to the electronic credit ledger of the Transferee Company and the input and capital goods shall be duly adjusted by the Transferee Company in its books of account.
- 9.2 Taxes of whatsoever nature including advance tax, self-assessment tax, regular assessment taxes, tax deducted at source, dividend distribution tax, minimum alternative tax, wealth tax, if any, paid by the Transferor Company shall be treated as paid by the Transferee Company and it shall be entitled to claim the credit, refund, adjustment for the same as may be applicable notwithstanding that challans or records may be in the name of Transferor Company. Minimum Alternate Tax credit available to the Transferor Company under the Income-tax Act, 1961, if any, shall vest in and be available to the Transferee Company.
- 9.3 Upon scheme becoming effective, the Transferor Company (if required) and the Transferee Company are expressly permitted to revise their financial statements and its income tax returns along with prescribed forms, filings and annexures under the Income-tax Act, 1961 and other statutory returns, including but not limited to tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / VAT / GST returns, as may be applicable. The Transferee company has expressly reserved the right to make such provision in its returns and to claim refunds, advance tax credits, credit of tax under Section 115JB of the Income-tax Act, 1961, i.e. credit of minimum alternate tax, credit of dividend distribution tax, credit of tax deducted at source, credit of foreign taxes paid/withheld, etc., if any, as may be required for the purposes of/consequent to implementation of the Scheme. All compliances done by Transferor Company will be considered as compliances by Transferee Company.
- 9.4 It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc. under Income-tax Act, 1961, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws, any incentive scheme or policies or any other applicable laws/ regulations dealing with taxes/ duties/ levies due to Transferor Company shall stand vested to the Transferee Company upon this Scheme becoming effective.
- 9.5 All tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Company pending and/or arising shall be continued and/or enforced until the Effective Date by the Transferor Company. In the event of the Transferor Company failing to continue or enforce any proceeding/appeal, the same may be continued or enforced by the Transferee Company, at the cost of the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced

by or against the Transferor Company.

- 9.6 Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.

10 CONSIDERATION

- 10.1 All the equity shares of the Transferor Company are held by the Transferee Company. Since the Transferor Company would be a wholly owned subsidiary of the Transferee Company, there shall be no issue of shares by the Transferee Company as consideration for the amalgamation of the Transferor Company with the Transferee Company.
- 10.2 Upon this Scheme becoming effective, all equity shares of the Transferor Company held by the Transferee Company shall stand cancelled without any further application, act or deed by any person or authority.

11 ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEE COMPANY

On the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books as under:

- 11.1 The Transferee Company shall account for the amalgamation of the Transferor Company in its books of account under pooling of interest method in accordance with Appendix C to Indian Accounting Standard - 103 prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- 11.2 All assets and liabilities and reserves (whether capital or revenue or arising on revaluation or fair valuation), of the Transferor Company transferred to the Transferee Company under the Scheme shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form as recorded in the books of account of the Transferor Company. The identity of reserves of Transferor Company shall be preserved and they would appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company.
- 11.3 The difference between the aggregate of share capital and securities premium of the Transferor Company and the carrying value of investment in the Transferor Company in the books of Transferee Company (which is carried at Fair value through Other Comprehensive Income) shall be transferred to Capital reserve in the books of the Transferee Company. The aggregate of FVOCI reserve and Deferred tax on FVOCI reserve in the books of Transferee company pertaining to its investment in Transferor company shall be adjusted against the balance in Capital reserve as above.
- 11.4 All inter-corporate deposits, loans, investments and advances, outstanding balances or other obligations between the Transferor Company and the Transferee Company shall be cancelled and there shall be no further obligation/ outstanding in that behalf. For the removal of doubts, there would be no accrual of interest or other charges in respect of any such inter-company loans, advances or outstanding balances with effect from the Appointed Date.
- 11.5 Unrealised profits on balances of inventories/fixed assets lying in the Transferor company which were acquired by the Transferor company from the Transferee company shall be eliminated and resulting difference adjusted in opening retained earnings.

12 CONDUCT OF BUSINESS FROM APPOINTED DATE UPTO THE EFFECTIVE DATE:

- 12.1 The Transferor Company with effect from the Appointed Date and up to and including the

Effective Date:

- 12.1.1 shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets for and on account of, and in trust for the Transferee Company;
 - 12.1.2 all profits or income arising or accruing to the Transferor Company and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, dividend distribution tax, securities transaction tax, taxes withheld/paid in a foreign country, etc.) or losses arising or incurred by the Transferor Company shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Transferee Company; and
 - 12.1.3 all loans raised and all liabilities and obligations incurred by the Transferor Company after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the undertaking of the Transferor Company shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of the Transferee Company.
- 12.2 From the Effective Date, the Transferee Company shall carry on and shall be entitled to carry on the business of the Transferor Company.
 - 12.3 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authority and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require, to carry on the business of the Transferor Company and to give effect to the Scheme.
 - 12.4 The Transferee Company shall be entitled to credit the tax paid including credit of the tax deducted at source in relation to The Transferor Company, for the period between the Appointed Date and the Effective Date.
 - 12.5 For the purpose of giving effect to the amalgamation order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Authority, the Transferee Company shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Transferor Company, in accordance with the provisions of Sections 230 to 232 of the Act. The Transferee Company is and shall always be deemed to have been authorized to execute any pleadings, applications, forms, etc, as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme.

13 DECLARATION OF DIVIDEND, BONUS, ETC.

- 13.1 The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim and/or final, to their respective shareholders prior to the Effective Date in the ordinary course of business. Any other disbursement (including by way of bonus issuance) by the Transferor Company shall be recommended/ declared by obtaining the consent of the Transferee Company.
- 13.2 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 member of the Transferor Company or Transferee Company to demand or claim any

dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of the Transferor Company or Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company or Transferee Company.

14 SAVING OF CONCLUDED TRANSACTIONS

The vesting of the undertaking of the Transferor Company as above and the continuance of proceedings by or against the Transferor Company shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date in accordance with this Scheme, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of the Transferee Company.

15. CHANGE IN OBJECT CLAUSE OF TRANSFEREE COMPANY

15.1 With effect from the Appointed Date, and upon the effectiveness of the Scheme, the main object clause of the Memorandum of Association of the Transferee Company shall be deemed to be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business activities of the Transferor Company, pursuant to the applicable provisions of the Act. Accordingly, the Memorandum of Association of the Transferee Company shall be altered and amended and necessary revisions in numbering of the clauses inserted shall be carried out.

15.2 The following clause shall be added to the main object of the Memorandum of Association of the Transferee Company and shall read as under:

Memorandum of Association – Clause 3rd a)

“2. *To carry on the business of design, planning, building, development, engineering, erecting, marketing, import, export, purchase, sale, transfer, lease, assemble, install, commission, maintain, repair, operation, trading, transmission, manufacture, investment, investigation, research, consultancy management of power transmission towers, antennae, transmitters, insulators, conductors and all kinds of equipment required in generation, transmission and storage of power and undertake turnkey contracts for erecting power distribution network, energy conversation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations.”*

15.3 For the purposes of the amendment in the Memorandum of Association of the Transferee Company as provided in this Clause, the approval of this Scheme shall also be deemed to be approval - for making such change/ amendment in the Memorandum of Association of the Transferee Company and filing of the certified copy of this Scheme as sanctioned by the Tribunal, in terms of Section 230-232 of the Act and any other applicable provisions of the Act, together with the order of the Tribunal and a printed copy of the Memorandum of Association for the purposes of the applicable provisions of the Act and the RoC shall register the same and make the necessary alterations in the Memorandum of Association of the Transferee Company accordingly and shall certify the registration thereof in accordance with the applicable provisions of the Act.

15.4 The Transferee Company shall file with the RoC, all requisite forms and complete the compliance and procedural requirements under the Act, if any.

16. COMBINATION OF AUTHORISED SHARE CAPITAL

- 16.1 Upon the Scheme becoming effective, the authorised share capital of the Transferor Company will get amalgamated with that of the Transferee Company without payment of any additional fees and duties as the said fees have already been paid. The authorised share capital of the Transferee Company will automatically stand increased to that effect by simply filing the requisite forms with the Registrar of Companies and no separate procedure or instrument or deed or payment of any stamp duty and registration fees shall be required to be followed under the Act.
- 16.2 The existing capital clause V contained in the Memorandum of Association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 61 and 64 of the Act and Section 232 and other applicable provisions of the Act, as set out below:

Memorandum of Association

“The Authorised Share Capital of the Company is Rs. 17,532,800,000 (Rupees One Thousand Seven Hundred and Fifty Three Crore Twenty Eight Lakh Only) divided into 6,380,000,000 (Six Hundred and Thirty Eight Crore Only) Equity Shares of Rs. 2/- (Rupees Two Only), 470,000,000 (Forty Seven Crore Only) optionally convertible redeemable preference shares of Rs. 10/- (Rupees Ten Only) and 36,400,000 (Three Crore Sixty Four Lakhs Only) redeemable preference shares of Rs. 2 [Rupees Two Only]. The Company shall have power to increase and/or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such differential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of the Company for the time being and vary, modify or abrogate any such rights, privileges and/or conditions in such manner as may be permitted by the Articles of the Company or the Legislative provisions for the time being in force in that behalf.”

- 16.3 It is clarified that the approval of this Scheme under Sections 230 to 232 of the Companies Act, 2013 shall also be deemed to be approvals under sections 13, 61, 64 of the Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard to give effect to the increase in authorized share capital. The filing of the certified copy of this Scheme as sanctioned by the Tribunal, in terms of Section 230-232 of the Act and any other applicable provisions of the Act, together with the order of the Tribunal and a printed copy of the Memorandum of Association for the purposes of the applicable provisions of the Act and the RoC shall register the same and make the necessary alterations in the Memorandum of Association of the Transferee Company accordingly and shall certify the registration thereof in accordance with the applicable provisions of the Act.

17. VALIDITY OF EXISTING RESOLUTIONS, ETC.

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

18. DISSOLUTION OF THE TRANSFEROR COMPANY

- 18.1 Upon the effectiveness of this Scheme, the Transferor Company shall be dissolved without winding up, and the Board and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand ceased and discharged. The name of the Transferor Company shall be struck off from the records of the RoC and the Transferee Company shall make necessary filings in this regard and no separate consent / approval of the Transferee's shareholders shall be required under applicable provisions of the Act.

PART III

GENERAL TERMS AND CONDITIONS

19. APPLICATION TO TRIBUNAL

The Transferor Company and the Transferee Company shall as may be required make applications and/or petitions under Sections 230 to 232 of the Act and other applicable provisions of the Act to the Authority for sanction of this Scheme and all matters ancillary or incidental thereto.

20. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 20.1 On behalf of The Transferor Company and the Transferee Company, the Board of respective companies, may consent to any modifications or amendments of the Scheme and without prejudice to the generality of the foregoing, any modification to the Scheme involving withdrawal of any one or more of the Parties to the Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the Tribunal may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by both of them (i.e. the Boards of the Transferor Company and the Transferee Company) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.
- 20.2 For the purpose of giving effect to this Scheme or to any modification thereof, the Boards of the Transferor Company and the Transferee Company may give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.
- 20.3 The Transferor Company and the Transferee Company (by their respective Boards or such other person or persons, as the respective Boards may authorise) shall each be at liberty to withdraw this Scheme, in entirety, in case any condition or alteration imposed by the Tribunal or Appropriate Authority is unacceptable to them or as may otherwise be deemed expedient or necessary.
- 20.4 In the event of revocation/ withdrawal of the Scheme, no rights and liabilities whatsoever shall accrue to or be incurred inter-se the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the applicable law and as agreed between the Parties and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

21. CONDITIONS PRECEDENT TO THE SCHEME

Unless otherwise decided by the Board of the Transferor Company and the Transferee Company, this Scheme shall be conditional upon and subject to:

- 21.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Transferor Company and the Transferee Company, as may be directed by the Tribunal;
- 21.2 The sanction and order of the Tribunal, under Sections 230 to 232 of the Act being obtained by the Transferor Company and the Transferee Company;
- 21.3 Certified copy/(ies) of the Order of the Tribunal sanctioning the Scheme being filed with the RoC by the Transferor Company and the Transferee Company;
- 21.4 Receipt of requisite consent, approval or permission of the National Electric Energy Agency (ANEEL), Brazilian Electricity Regulatory Agency as may be applicable; and
- 21.5 The requisite consent, approval or permission of Appropriate Authority which by applicable law or contract, agreement may be necessary for the implementation of this Scheme.

22. EFFECT OF NON-RECEIPT OF APPROVALS

- 22.1 In the event of any of the said sanctions and approvals referred to in the preceding Clause 21 not being obtained and / or the Scheme not being sanctioned by the Tribunal before 31 December 2019 or such period or periods as may be agreed upon between the Transferor Company and the Transferee Company, the Scheme shall become null and void save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as may otherwise arise in law and in such event each party shall bear and pay its respective costs, charges and expenses in connection with the Scheme.
- 22.2 If any provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and the Transferee Company through their respective Boards, affect the validity or implementation of the other provisions of this Scheme.

23. COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, (including stamp duty) shall be borne by the Transferee Company.