

**SCHEME OF ARRANGEMENT**

**BETWEEN**

**STERLITE POWER TRANSMISSION LIMITED  
("DEMERGED COMPANY")**

**AND**

**STERLITE GRID 5 LIMITED  
("RESULTING COMPANY")**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**UNDER SECTIONS 230 TO 232 READ WITH SECTION 52 AND OTHER APPLICABLE PROVISIONS OF THE  
COMPANIES ACT, 2013**



**(A) DESCRIPTION OF COMPANIES**

1. Sterlite Power Transmission Limited (“SPTL” or “Demerged Company”) is a public limited company incorporated under the provisions of the Act (*as defined hereinafter*). The Demerged Company is, *inter alia*, engaged in the business of power products and solutions which mainly includes (i) manufacturing of power transmission conductors, optical ground wire cables and power cable; (ii) execution of Engineering, Procurement and Construction (“EPC”) contracts for replacement of power transmission conductors, optical ground wire cables and power cable as a part of master system integration business; (iii) execution of EPC contracts for construction of power transmission systems; and (iv) convergence services which allows for power utility infrastructure to be leveraged by telecommunication companies and other communication service providers. In addition to the above the Demerged Company, directly or indirectly, through its subsidiaries, acts as a developer on build own operate & maintain basis, for designing, financing, construction, and maintenance of power transmission systems for concessional periods ranging from 25 to 35 years. The equity shares of the Demerged Company are not listed on any stock exchanges.
2. Sterlite Grid 5 Limited (“Resulting Company”) is a public limited company incorporated under the provisions of the Act. The Resulting Company is, *inter alia*, engaged in the business of developing on build, own, operate and maintain basis, for designing, financing, construction and maintenance of power transmission system. The Resulting Company is a wholly owned subsidiary of the Demerged Company.

**(B) OVERVIEW OF THE SCHEME**

1. This Scheme (*as defined hereinafter*) is presented under the provisions of Sections 230 to 232 read with Section 52 and other applicable provisions of the Act and provides for the following:
  - (i) demerger, transfer and vesting of the Demerged Undertaking (*as defined hereinafter*) from the Demerged Company into the Resulting Company on a *going concern* basis, and discharge of consideration, in form of shares, by the Resulting Company to the shareholders of the Demerged Company, in accordance with the provisions of Section 2(19AA) of the Income Tax Act (*as defined hereinafter*); and
  - (ii) reduction and cancellation of the entire pre-scheme share capital of the Resulting Company.
2. This Scheme also provides for various other matters consequent and incidental thereto.

**(C) RATIONALE**

1. The Demerged Company and the Resulting Company are part of the same promoter group.
2. The Demerged Company proposes to demerge and transfer the Demerged Undertaking (*as defined hereinafter*) from the Demerged Company to the Resulting Company and in consideration thereof, the Resulting Company will issue their equity shares to the shareholders of the Demerged Company.
3. The said demerger will enable the Parties (*as defined hereinafter*) to concentrate its resources and managerial bandwidth entirely to such businesses which would enable focused strategy, better coordination and cohesiveness in their working and assist in standardization of its business processes as may be prevalent to the specific businesses. The proposed restructuring pursuant to the said Scheme is expected, *inter alia*, to result in following benefits for the Parties:
  - (i) unlocking the value of the Demerged Undertaking for the shareholders of the Demerged Company ;



- (ii) attracting investors and providing better flexibility in accessing capital;
- (iii) segregating different businesses having different risk and return profiles, and providing investors with better flexibility to select investments which best suit their investment strategies and risk profile;
- (iv) effective utilisation of cash flows of different businesses and limiting restrictions arising out of different terms of different lenders for different businesses;
- (v) enabling focused growth strategy for each of the businesses for exploiting opportunities specific to each business;
- (vi) greater visibility on performance of each of the businesses;
- (vii) operational efficiency; and
- (viii) focused management approach for pursuing the growth in the respective business verticals and de-risk the businesses from each other.

The Scheme is, therefore, in the interests of the shareholders, creditors and all other stakeholders of each of the Parties.

**(D) PARTS OF THE SCHEME**

The Scheme is divided into the following parts:

1. **PART I** deals with the definitions, share capital of the Parties, date of taking effect and implementation of this Scheme;
2. **PART II** deals with the demerger, transfer and vesting of the Demerged Undertaking from the Demerged Company into the Resulting Company on a *going concern* basis and discharge of consideration, in form of equity shares, by the Resulting Company to the shareholders of the Demerged Company;
3. **PART III** deals with the reduction and cancellation of the entire pre-scheme share capital of the Resulting Company; and
4. **PART IV** deals with the general terms and conditions applicable to this Scheme.



**PART I**

**DEFINITIONS, SHARE CAPITAL OF THE PARTIES, DATE OF  
TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME**

**1. DEFINITIONS**

1.1 In this Scheme, (i) capitalised terms defined by inclusion in quotations and/ or parenthesis shall have the meanings so ascribed; and (ii) the following expressions shall have the meanings ascribed hereunder:

**“Act”** means the Companies Act, 2013;

**“Applicable Law”** or **“Law”** means any applicable national, foreign, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, enactments, laws (including the common law), bye-laws, codes, notifications, rules, regulations, policies, guidelines, circulars, press notes, clearances, approvals, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, Tribunal; (b) Permits; and (c) orders, decisions, writs, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties, in each case having the force of law and that is binding or applicable to a person, as may be in force from time to time;

**“Appointed Date”** means the opening business hours of January 1, 2023 or such other date as may be agreed between the Parties;

**“Appropriate Authority”** means:

- (i) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, Tribunal, central bank, commission or other authority thereof;
- (ii) any governmental, quasi-governmental or private body, self-regulatory organisation, or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, statutory, licensing, competition, Tax, importing, exporting or other governmental or quasi-governmental authority; and
- (iii) the Tribunal.

**“Board”** in relation to the Parties, means the board of directors of such Party, and shall include a committee of directors or any person authorized by such board of directors or such committee of directors duly constituted and authorized for the matters pertaining to this Scheme or any other matter relating hereto;

**“Business Day”** shall mean any day except Saturday or Sunday on which the banks in Mumbai are open for business;

**“Demerged Company”** means Sterlite Power Transmission Limited, a company incorporated under the provisions of the Act, having corporate identity number U74120PN2015PLC156643 and having its registered office at 4th Floor, Godrej Millennium 9 Koregaon Road, Pune, Maharashtra, India, 411001;

**“Demerged Company RSUs”** means the Restricted Stock Units Scheme 2022 as adopted by the Board of the Demerged Company;



**“Demerged Undertaking”** means all the assets and liabilities of the Demerged Company pertaining to the Infrastructure Business as on the Appointed Date and shall include (without limitation):

- (i) all movable and immovable properties of the Demerged Company in relation to the Infrastructure Business, whether freehold or leasehold or licensed, including tenancy rights, hire purchase and lease arrangements, real or personal, corporeal or incorporeal or otherwise, present, future, contingent, tangible or intangible, and associated capital costs, security deposits, capital work in progress, easmentary rights, rights of way, furniture, fixtures, office equipment, appliances, accessories, vehicles, stocks, sundry debtors, deposits, provisions, advances, recoverables, receivables, title, interest, cash and bank balances, bills of exchange, covenants, all earnest monies, or other entitlements, funds, right to use and avail of telephones, telex, facsimile, email, internet, leased lines and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever and all the rights, title, interests, goodwill, benefits, fiscal incentives, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company pertaining to the Infrastructure Business;
- (ii) investments (in form of shares or otherwise) in subsidiaries and joint ventures forming part of the Infrastructure Business;
- (iii) Demerged Undertaking Liabilities (*as defined hereinafter*);
- (iv) contracts, agreements, schemes, arrangements, know your customer (KYC) details and any other instruments pertaining to the Infrastructure Business;
- (v) all refunds, reimbursements, claims, concessions, exemptions, benefits including sales tax deferrals, income tax deducted at source, goods and service tax credit, deductions and benefits under the relevant Law or any other Taxation statute pertaining to the Infrastructure Business;
- (vi) all Permits, quotas, incentives, powers, authorities, allotments, rights, benefits, advantages, pertaining to the Infrastructure Business;
- (vii) all intellectual property and intellectual property rights, brands, logos, designs, labels, tradenames and trademarks of the Demerged Company in relation to the Infrastructure Business (including any applications for the same) of any nature whatsoever, including all books, records, files, papers, engineering and process information, computer programs, domain names, software licenses (whether proprietary or otherwise), research and studies, technical knowhow, confidential information and other benefits, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former investors, investor credit information, pricing information, and other records whether in physical or electronic form in connection with or pertaining to Infrastructure Business;
- (viii) entire experience, credentials, past record and market share of the Demerged Company pertaining to the Infrastructure Business; and
- (ix) all employees engaged in the Infrastructure Business.

Any question that may arise as to whether a specific asset (tangible or intangible) or liability or employee pertains or does not pertain to the Demerged Undertaking shall be decided mutually by the Boards of the Demerged Company and the Resulting Company;

**“Demerged Undertaking Liabilities”** means the liabilities as defined in Clause 4.2.6 of the Scheme;

**"Effective Date"** means the day on which all conditions precedent set forth in Clause 20 (Conditions Precedent) are fulfilled;

References in this Scheme to the date of **"coming into effect of this Scheme"** or **"upon the Scheme becoming effective"** shall mean the Effective Date;

**"Encumbrance"** means (a) 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; (b) 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, transfer, receipt of income or exercise; or (c) any hypothecation, title retention, restriction, power of sale or other preferential arrangement; or (d) any agreement to create any of the above; and the term **"Encumber"** shall be construed accordingly;

**"Infrastructure Business"** means the business of engineering, procurement and construction and the business of development, construction, operation and maintenance of power transmission systems in India and Brazil including the investments of the Demerged Company;

**"Income Tax Act"** means the Income-tax Act, 1961;

**"INR"** or **"Rupee(s)"** means Indian Rupee, the lawful currency of the Republic of India;

**"Parties"** shall collectively mean the Demerged Company and the Resulting Company; and **"Party"** means each of them, individually;

**"Permits"** means all consents, licences, permits, certificates, permissions, authorisations, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, no objections, whether governmental, statutory, regulatory or otherwise as required under the Applicable Law;

**"Person"** means an individual, a partnership, a corporation, a limited liability partnership, a company, an association, a trust, a joint venture, an unincorporated organization or an Appropriate Authority in or outside India;

**"Record Date"** means the date to be fixed by the Board of the Demerged Company for the purpose of determining the equity shareholders of the Demerged Company for issue and allotment of the Resulting Company New Equity Shares, under Part II of this Scheme;

**"Remaining Business of the Demerged Company"** means all the business, units, divisions, undertakings, and assets and liabilities of the Demerged Company other than the Demerged Undertaking;

**"Resulting Company"** means Sterlite Grid 5 Limited, a company incorporated under the provisions of the Act, having corporate identity number U29190PN2016PLC209044 and its registered office at 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune, Maharashtra, India, 411001;

**"Resulting Company New Equity Shares"** means fully paid up equity shares having face value of INR 2 each issued by the Resulting Company, as consideration, in terms of Clause 8.1 of this Scheme;

**"RoC"** means the relevant Registrar of Companies having jurisdiction over the Parties;

**"Scheme"** means this scheme of arrangement as modified from time to time;

**“Tax Laws”** means all the Applicable Law dealing with Taxes including but not limited to income-tax, goods and service tax, customs duty or any other levy of similar nature;

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

**“Tribunal”** means the relevant bench of the National Company Law Tribunal having jurisdiction over the Parties.

1.2 In this Scheme, unless the context otherwise requires:

- (i) words denoting the singular shall include the plural and vice versa;
- (ii) any Person includes that Person’s legal heirs, administrators, executors, liquidators, successors, successors-in-interest and permitted assigns, as the case may be;
- (iii) reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement, re-enactment, restatement or amendment of, that law or legislation or regulation and shall include the rules and regulations thereunder;
- (iv) headings, subheadings, titles, sub-titles to clauses and sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the Scheme;
- (v) the words “include” and “including” are to be construed without limitation; and
- (vi) all terms and words not defined in this Scheme shall unless repugnant or contrary to the context or meaning thereof, have the same meaning as prescribed to them under the Act, Income Tax Act, or any other Applicable Law, rules, regulations, bye laws, as the case may be.

## 2. SHARE CAPITAL

2.1 The share capital of the Demerged Company as on the date of approval by its Board to the Scheme is as follows:

Particulars	INR
<b>Authorised share capital</b>	
638,02,50,000 equity shares of INR 2 each	1276,05,00,000
47,00,00,000 optionally convertible redeemable preference shares of INR 10 each	470,00,00,000
126,97,50,000 redeemable preference shares of INR 2 each	253,95,00,000
<b>Total</b>	<b>2000,00,00,000</b>
<b>Issued, subscribed and paid-up share capital</b>	
12,23,63,804 equity shares of INR 2 each fully paid up	24,47,27,608
<b>Total</b>	<b>24,47,27,608</b>

2.2 The share capital of the Resulting Company as on the date of approval by its Board to the Scheme is

as follows:

Particulars	INR
<b>Authorised share capital</b>	
2,50,000 equity shares of INR 2 each	5,00,000
<b>Total</b>	<b>5,00,000</b>
<b>Issued, subscribed and paid-up share capital</b>	
2,50,000 equity shares of INR 2 each	5,00,000
<b>Total</b>	<b>5,00,000</b>

Entire issued, subscribed and paid-up share capital of the Resulting Company is held by the Demerged Company.

### 3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

This Scheme in its present form or with any modification(s) made as per Clause 19 of this Scheme, shall become operative from the Effective Date and effective from the Appointed Date.

## PART II

### DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

#### 4. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

4.1 Upon coming into effect of the Scheme, with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 read with Section 52 and other applicable provisions of the Act and Section 2(19AA) of the Income Tax Act, all assets, Permits, contracts, liabilities, loan, duties and obligations of the Demerged Undertaking 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 Resulting Company on a *going concern* basis, so as to become as and from the Appointed Date, the assets, Permits, contracts, liabilities, loan, duties and obligations of the Resulting Company by virtue of operation of law, and in the manner provided in this Scheme.

This demerger under Part II of the Scheme complies with the definition of "demerger" as per Section 2(19AA) and other provisions of the Income Tax Act. If any terms of this Scheme are found to be or interpreted to be inconsistent with provisions of the Income Tax Act, then this Scheme shall stand modified to be in compliance with Section 2(19AA) of the Income Tax Act.

4.2 Without prejudice to the generality of the provisions of Clause 4.1 above, the manner of transfer of the Demerged Undertaking under this Scheme, is as follows:

4.2.1 In respect of such of the assets and properties forming part of the Demerged Undertaking which are movable in nature (including but not limited to all intangible assets), intellectual property and intellectual property rights, including any applications for the same, of any nature whatsoever including but not limited to brands, trademarks forming part of the Demerged Undertaking, whether registered or unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights and such other industrial and intellectual property rights of whatsoever nature or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company to the Resulting Company upon coming into effect of this Scheme and shall, *ipso facto* and without any other or further order to this effect, become the assets and properties of the Resulting Company





without requiring any deed or instrument of conveyance for transfer of the same. The transfer pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or recordal, pursuant to this Scheme, as appropriate to the property being transferred, and title to the property shall be deemed to have been transferred accordingly;

- 4.2.2 Subject to Clause 4.2.3 below, with respect to the moveable assets of the Demerged Undertaking 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), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and/or be deemed to be transferred to the Resulting Company, with effect from the Appointed Date by operation of law as transmission in favour of the Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required;
- 4.2.3 In respect of such of the assets and properties forming part of the Demerged Undertaking which are immovable in nature, whether or not included in the books of the Demerged Company, including rights, interest and easements in relation thereto, the same shall stand transferred to the Resulting Company with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Demerged Company and/or the Resulting Company;
- 4.2.4 For the avoidance of doubt and without prejudice to the generality of Clause 4.2.3 above and Clause 4.2.5 below, it is clarified that, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings, the Demerged Company and the Resulting Company shall register the true copy of the order of the Tribunal approving this Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 4.2.4 or Clause 4.2.5 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any part of the Demerged Undertaking takes place and the Demerged Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme;
- 4.2.5 Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and transfer to the Resulting Company, if the Resulting Company so decides, the Demerged Company and the Resulting Company, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Resulting Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under the Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme;
- 4.2.6 Upon effectiveness of the Scheme, all debts, liabilities, loans, obligations and duties of the



Demerged Company as on the Appointed Date and relating to the Demerged Undertaking ("**Demerged Undertaking Liabilities**") shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Appointed Date. The term "Demerged Undertaking Liabilities" shall include:

- 4.2.6.1 the debts, liabilities, obligations incurred and duties of any kind, nature or description (including contingent liabilities) which arise out of the activities or operations of the Demerged Undertaking;
- 4.2.6.2 the specific loans or borrowings (including, notes and other debt securities raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking); and
- 4.2.6.3 in cases other than those referred to in Clauses 4.2.6.1 or 4.2.6.2 above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger of the Demerged Undertaking bear to the total value of the assets of the Demerged Company immediately prior to the Appointed Date.

However, the tax liabilities and tax demands (except pertaining to Income Tax Act) of the Demerged Company for a period prior to the Appointed Date in relation to the Demerged Undertaking shall be transferred as part of the Demerged Undertaking to the Resulting Company;

- 4.2.7 Post the Effective Date, the Demerged Company may, at the request of the Resulting Company, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, or deposit, contracts or policies relating to the Demerged Undertaking stands transferred to the Resulting Company and that appropriate modification should be made in their respective books/ records to reflect the aforesaid changes;
- 4.2.8 In so far as encumbrances, if any, in respect of the Demerged Undertaking Liabilities, such encumbrance shall, without any further act, instrument or deed being required to be taken or modified, be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been encumbered in respect of the Demerged Undertaking Liabilities as transferred to the Resulting Company pursuant to this Scheme. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the encumbrance over such assets relating to any loans, liabilities, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which continue with the Demerged Company shall without any further act, instrument or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities and the Demerged Company shall provide such other security that may be agreed between the Demerged Company and the respective lenders having the encumbrance. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above;
- 4.2.9 Subject to Clause 4 and any other provisions of this Scheme, in respect of any refund, benefit, claim receivable, incentive, grant or subsidy in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper, stating that pursuant

to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, claim receivable, incentive, grant or subsidy be paid or made good to or held on account of the Resulting Company, as the Person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes;

4.2.10 On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Demerged Undertaking, shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company;

4.2.11 Permits, including the benefits attached thereto of the Demerged Company, in relation to the Demerged Undertaking, shall be transferred to the Resulting Company from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company and the Resulting Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company to carry on the operations of the Demerged Undertaking without any hindrance, whatsoever; and

4.2.12 Contracts in relation to the Demerged Undertaking, where the Demerged Company is a party, shall stand transferred to the Resulting Company pursuant to the Scheme becoming effective. The absence of any formal amendment which may be required by a third party to effect such transfer shall not affect the operation of the foregoing sentence. The Demerged Company and the Resulting Company shall, wherever necessary, enter into and/or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause.

4.3 Without prejudice to the provisions of the foregoing sub-clauses of this Clause 4 and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company may execute any and all instruments or documents and do all acts, deeds and things as may be required, including executing necessary confirmatory deeds for filing with the trademark registry and Appropriate Authorities, 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 Appropriate Authority or Person to give effect to this Scheme. The Demerged Company shall take such actions as may be necessary to get the assets pertaining to the Demerged Undertaking transferred to and registered in, the name of the Resulting Company, as per the Applicable Law.

## 5. EMPLOYEES

5.1 With effect from the Effective Date, all employees of the Demerged Company engaged in or in relation to the Demerged Undertaking shall become the employees of the Resulting Company on terms and conditions no less favourable than those on which they are engaged by the Demerged Company and without any interruption in service.

5.2 The accumulated balances, if any, standing to the credit in favour of the aforesaid employees in the existing provident fund, gratuity fund, superannuation fund and any other fund of which they are members, as the case may be, will be transferred to the respective funds of the Resulting Company set-up in accordance with the Applicable Law and caused to be recognized by the Appropriate



Authorities or to the funds nominated by the Resulting Company. Pending the transfer as aforesaid, the dues of the said employees would continue to be deposited in the existing provident fund, gratuity fund, superannuation fund and other fund respectively of Demerged Company.

5.3 Employee restricted stock units:

- 5.3.1 Upon coming into effect of the Scheme, the Resulting Company shall formulate new employee restricted stock units plan by adopting the Demerged Company RSUs of the Demerged Company, as modified in accordance with the variations mentioned in this Clause 5.3;
- 5.3.2 With respect to the restricted stock units granted by the Demerged Company to the employees of the Demerged Company (forming part of the Demerged Undertaking) or its subsidiaries (so far as such subsidiary becomes the subsidiary of the Resulting Company) under the Demerged Company RSUs; and upon the Scheme becoming effective, the said employees shall be issued such proportionate number of restricted stock units by the Resulting Company under the new scheme(s) for restricted stock unit(s) held in the Demerged Company, whether the same are vested or not, on terms and conditions similar to the Demerged Company RSUs, as may be agreed by the Board of the Resulting Company after the effectiveness of the Scheme;
- 5.3.3 The restricted stock units granted by the Demerged Company to employees of the Demerged Company (forming part of the Demerged Undertaking) or its subsidiary (so far as such subsidiary becomes the subsidiary of the Resulting Company), under the Demerged Company RSUs would be cancelled. Upon coming into effect of the Scheme, the Demerged Company shall, if required, take necessary steps to modify the Demerged Company RSUs in a manner considered appropriate and in accordance with the Applicable Law, in order to cancel the same, subject to the approval of the relevant regulatory authorities, if any, under the Applicable Law;
- 5.3.4 The number of the restricted stock units of the Demerged Company, held by concerned employees (forming part of the Remaining Business of the Demerged Company) under the Demerged Company RSUs shall be modified consequent to the extent that the total value of the Demerged Company RSUs in the hands of the said employees shall remain the same after the effectiveness of the Scheme;
- 5.3.5 While granting restricted stock units, the Resulting Company shall take into account the period during which the employees held restricted stock units granted by the Demerged Company prior to the issuance of the restricted stock units by the Resulting Company, for determining of minimum vesting period required for restricted stock units granted by the Resulting Company, subject to the Applicable Law; and
- 5.3.6 Approval granted to the Scheme by the shareholders of the Demerged Company and the Resulting Company shall also be deemed to be approval granted for implementation of provisions of this Clause 5.3 including any modifications made to the Demerged Company RSUs of the Demerged Company and approval granted to the new employee restricted stock units plan to be adopted by the Resulting Company, respectively.

6. **LEGAL PROCEEDINGS**

- 6.1 Upon coming into effect of this Scheme, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands, legal and other proceedings of whatsoever nature (except proceedings under the Income Tax Act) by or against the Demerged Company pending and/or arising



on or before the Appointed Date or which may be instituted at any time thereafter and in each case relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme and shall be continued and be enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. The Resulting Company shall be substituted in place of the Demerged Company or added as party to such proceedings and shall prosecute or defend all such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall stand nullified. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Demerged Undertaking.

6.2 The Resulting Company undertakes to have all legal and other proceedings (except proceedings under the Income Tax Act) initiated by or against the Demerged Company referred to in Clause 6.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company on priority. The Demerged Company and the Resulting Company shall make relevant applications and take all steps as may be required in this regard.

6.3 Notwithstanding anything contained herein above, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority (except proceedings under the Income Tax Act), in each case in relation to the Demerged Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Demerged Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with the Resulting Company. However, if the Demerged Company is unable to get the Resulting Company replaced in its place in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Resulting Company and at the cost of the Resulting Company and the latter shall reimburse to the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.

## 7. TAXES/ DUTIES/ CESS

7.1 If the Demerged Company is entitled to any unutilized credits (including accumulated losses and unabsorbed depreciation), advance tax, tax deduction at source, tax collection at source, benefits under the state or central fiscal/ investment incentive schemes and policies or concessions relating to the Demerged Undertaking under any Tax Law or Applicable Law, the Resulting Company shall be entitled, as an integral part of this Scheme, to claim such benefit or incentives or unutilised credits, as the case may be, without any specific approval or permission and such benefit or incentives or unutilised credits, as the case may be, shall be available for utilisation to the Resulting Company in accordance with the Applicable Law.

7.2 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of this Scheme. It is further clarified that the Resulting Company shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Demerged Undertaking to the extent not claimed by the Demerged Company, as and when the same are paid subsequent to the Appointed Date.

## 8. CONSIDERATION



- 8.1 Upon effectiveness of this Scheme and in consideration of the demerger of the Demerged Undertaking from the Demerged Company into the Resulting Company and subject to the provisions of this Scheme, the Resulting Company shall issue and allot, on a proportionate basis to each shareholder of the Demerged Company whose name is recorded in the register of members and records of the depository as members of the Demerged Company as on the Record Date, without any further application, act, deed, consent, acts, instrument or deed, as under:
- 1 (One) Resulting Company New Equity Shares for every 1 (One) fully paid-up equity share of face value of INR 2 (Indian Rupees Two only) each of the Demerged Company.
- 8.2 The Resulting Company New Equity Shares shall be subject to the provisions of the memorandum of association and articles of association of Resulting Company, as the case may be, and shall have same rights with respect to dividend, bonus, right shares, voting and other corporate benefits attached to the equity shares of the Resulting Company.
- 8.3 The issue and allotment of the Resulting Company New Equity Shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law(s) as may be applicable were duly complied with. It is clarified that the consent/ approval of the shareholders of the Resulting Company and/or the Demerged Company to this Scheme, shall be deemed to be, their consent/ approval for the issue and allotment of the Resulting Company New Equity Shares to the shareholders of the Demerged Company and compliance under provisions of Sections 42 and 62 of the Act.
- 8.4 The Resulting Company New Equity Shares that are to be issued in terms of this Scheme shall be issued in dematerialised form. Prior to the Record Date, the eligible shareholders of the Demerged Company, who hold shares in physical form shall provide such confirmation, information and details as may be required, relating to his/ her/ its account with a depository participant, to the Resulting Company to enable it to issue the Resulting Company Share(s) in dematerialised form.
- 8.5 For the purpose of allotment of the Resulting Company New Equity Shares pursuant to this Scheme, in the event, if any eligible shareholder of the Demerged Company holds shares in physical form, the Resulting Company shall issue the relevant shares in an unclaimed suspense account which will be for the benefit of such shareholder. The Resulting Company Share(s) held in such unclaimed suspense account for the benefit of such eligible shareholders shall be transferred to the respective eligible shareholder once they provide details of his/her/its demat account to the Resulting Company, along with such other documents as may be required by the Resulting Company.
- 8.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares of the Demerged Company, after the effectiveness of Part II of this Scheme.
- 8.7 The Resulting Company New Equity Shares to be issued pursuant to this Scheme in respect of any shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Resulting Company.
- 8.8 The shares to be issued by the Resulting Company *in lieu* of the shares of the Demerged Company held in the unclaimed suspense account shall be issued to a new unclaimed suspense account created for



shareholders of the Demerged Company who shall become the shareholders of Resulting Company pursuant to this Scheme. The shares to be issued by the Resulting Company *in lieu* of the shares of the Demerged Company held in the investor education protection fund shall be issued to investor education protection fund in favour of such shareholders of the Demerged Company.

- 8.9 In the event, the Parties restructure their share capital by way of share split/ consolidation/ issue of bonus shares or any other corporate action during the pendency of the Scheme, the consideration, per Clause 8.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions.
- 8.10 The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the Applicable Law for complying with the provisions stated above.
- 8.11 The register of members maintained by the Resulting Company and/or, other relevant records, whether in physical or electronic form, maintained by the Resulting Company, in terms of the Applicable Law shall (as deemed necessary by the Board) be updated to reflect the issue of the Resulting Company New Equity Shares in terms of this Scheme.

## **9. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY AND RESULTING COMPANY**

### **9.1 Accounting treatment in the books of the Demerged Company**

Notwithstanding anything else contained in the Scheme:

- 9.1.1 The Demerged Company shall account for the demerger as per Scheme in its books of accounts in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles, as may be amended from time to time.
- 9.1.2 In case amount recognised within equity, arising due to demerger accounting prescribed under Clause 9.1.1 above, results into net debit impact, the Demerged Company shall use reduction in securities premium arising due to capital reduction as prescribed under Clause 12 of the Scheme to adjust such debit impact. The remaining debit impact, if any, will be adjusted against the retained earnings. In case impact arising due to demerger accounting prescribed under Clause 9.1.1 above results in net credit, such amount shall be recognised as capital reserve.
- 9.1.3 For accounting purpose, the Scheme shall be given effect from the date when all substantial conditions for the demerger/ transfer of assets and liabilities are completed.

### **9.2 Accounting treatment in the books of the Resulting Company**

Notwithstanding anything else contained in the Scheme

- 9.2.1. The Resulting Company shall account for the demerger by the Demerged Company to the Resulting Company as per Scheme in its books of accounts in accordance with Ind AS notified under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles, as may be amended from time to time. In applying demerger accounting, the Resulting Company shall, among other matters, ensure accounting policies of demerged undertaking are aligned to the

accounting policies followed by the Resulting Company.

- 9.2.2. Due to Capital Reduction as prescribed under Clause 11 of this Scheme, the shares held by the Demerged Company in the Resulting Company shall stand cancelled. The Resulting Company shall credit the corresponding amount to the capital reserve.
- 9.2.3. For accounting purpose, the Scheme will be given effect from the date when all substantial conditions for the demerger/ transfer of assets and liabilities are completed.

## 10. INCREASE IN AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANY

- 10.1 Upon Part II of this Scheme becoming effective, authorised share capital of the Resulting Company will automatically stand increased to INR 25,00,00,000 (Indian Rupees Twenty Five Crores only) by simply filing the requisite forms with the Appropriate Authority and no separate procedure or instrument or deed shall be required to be followed under the Act. The Resulting Company will pay necessary stamp duty and registration fees, as may be applicable, for increase in authorised equity share capital in terms of the Act.
- 10.2 Consequently, the memorandum of association and articles of association of the Resulting Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Section 13 and other applicable provisions of the Act, and be replaced by the following clause:

*"The Authorised Share Capital of the Company is INR 25,00,00,000 (Indian Rupees Twenty Five Crores only) divided into 12,50,00,00,000 (Twelve Crores Fifty Lakhs) equity shares of INR 2 (India Rupee Two only) each with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force."*

- 10.3 It is clarified that the approval of the members of the Resulting Company to this Scheme shall be deemed to be their consent/ approval also to alteration of the memorandum of association of the Resulting Company and the Resulting Company shall not be required to seek separate consent/ approval of its shareholders for such alteration of the memorandum of association and articles of association as required under Sections 13, 14 and other applicable provisions of the Act.

## PART III

### REDUCTION AND CANCELLATION OF THE ENTIRE PRE-SCHEME SHARE CAPITAL OF THE RESULTING COMPANY AND SECURITIES PREMIUM ACCOUNT OF THE DEMERGED COMPANY

#### 11. REDUCTION AND CANCELLATION OF ENTIRE PAID UP SHARE CAPITAL OF THE RESULTING COMPANY

- 11.1 Upon allotment of the Resulting Company New Equity Shares, the entire pre-scheme paid up share capital of the Resulting Company ("**Resulting Company Cancelled Shares**") as on the Effective Date shall stand cancelled and reduced, without any consideration, which shall be regarded as reduction of share capital of the Resulting Company, pursuant to Sections 230 to 232 read with Section 52 of the Act as an integral part of the Scheme itself.
- 11.2 It is clarified that the approval of the members of the Resulting Company to this Scheme, shall be



deemed to be their consent/approval for the reduction of the share capital of the Resulting Company under applicable provisions of the Act.

- 11.3 Notwithstanding the reduction in the share capital of the Resulting Company, the Resulting Company shall not be required to add 'And Reduced' as suffix to its name.
- 11.4 The reduction and cancellation of the Resulting Company Cancelled Shares does not involve any diminution of liability of in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

## **12. REDUCTION OF SECURITIES PREMIUM ACCOUNT OF THE DEMERGED COMPANY**

- 12.1 Upon the Scheme being effective, the securities premium account adjusted in accordance with Clause 9.1.2 above by the Demerged Company shall stand reduced, which shall be regarded as reduction of share capital of the Resulting Company, pursuant to Sections 230 to 232 read with Section 52 of the Act as an integral part of the Scheme itself.
- 12.2 It is clarified that the approval of the members of the Demerged Company to this Scheme, shall be deemed to be their consent/approval for the reduction of securities premium account of the Demerged Company under applicable provisions of the Act.
- 12.3 Notwithstanding the reduction in the securities premium account of the Demerged Company, the Demerged Company shall not be required to add 'And Reduced' as suffix to its name.
- 12.4 The reduction of securities premium account of the Demerged Company does not involve any diminution of liability of in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

## **PART IV**

### **GENERAL TERMS & CONDITIONS**

#### **13. REMAINING BUSINESSES**

- 13.1 The Remaining Businesses of the Demerged Company and all the assets, investments, liabilities and obligations of the Demerged Company, shall continue to belong to and be vested in and be managed by the Demerged Company. With effect from the Effective Date, only the Demerged Company shall be liable to perform and discharge all liabilities and obligations in relation to the Remaining Businesses of the Demerged Company and the Resulting Company shall not have any liabilities or obligations in relation to the Remaining Businesses of the Demerged Company.
- 13.2 All legal, Tax and/or other proceedings by or against the Demerged Company under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter, and relating to the Remaining Businesses of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Businesses of the Demerged Company) shall be continued and enforced against the Demerged Company. The Resulting Company shall in no event be responsible or liable in relation to any such legal, Tax or other proceedings in relation to the Remaining Businesses of the Demerged Company.
- 13.3 If the Resulting Company is in receipt of any demand, claim, notice and/or are impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Remaining Businesses of the Demerged Company, the Resulting Company shall, in view of the transfer and vesting

of the Demerged Undertaking, pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to substitute the Resulting Company with the Demerged Company. However, if the Resulting Company, are unable to get the Demerged Company so substituted in such proceedings, it shall defend the same or deal with such demand in accordance with the advice of the Demerged Company and at the cost of the Demerged Company and the latter shall reimburse the Resulting Company, against all liabilities and obligations incurred by or against the Resulting Company, in respect thereof.

#### **14. VALIDITY OF EXISTING RESOLUTIONS, ETC.**

Upon coming into effect of this Scheme, the resolutions and power of attorney of/ executed by the Demerged Company, as are considered necessary by the Boards of the Resulting Company, pertaining to the Demerged Undertaking, 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 Resulting 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 Boards of the Resulting Company shall be added to the limits, if any, under like resolutions passed by the Resulting Company and shall constitute the aggregate of the said limits in the Resulting Company.

#### **15. BUSINESS UNTIL THE EFFECTIVE DATE**

15.1 With effect from the date of approval of this Scheme by the respective Boards of the Parties and up to and including the Effective Date:

15.1.1 The Demerged Company shall, with respect to the Demerged Undertaking, carry on its businesses with reasonable diligence and business prudence and in the same manner as the Demerged Company and the Resulting Company had been doing hitherto; and

15.1.2 The Demerged Company shall, with respect to the Demerged Undertaking shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as necessary under the Applicable Law for such consents, approvals and sanctions which the Resulting Company may require to carry on the relevant business of the Demerged Company and to give effect to the Scheme.

15.2 With effect from the Appointed Date and up to and including the Effective Date:

15.2.1 The Demerged Company with respect to the Demerged Undertaking 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 Resulting Company;

15.2.2 All profits or income arising or accruing to the Demerged Company with respect to the Demerged Undertaking and all Taxes paid thereon (including but not limited to advance tax, tax deducted or collected 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 Demerged Company with respect to the Demerged Undertaking 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 Resulting Company; and

15.2.3 All loans raised and all liabilities and obligations incurred by the Demerged Company with respect to the Demerged Undertaking, shall, subject to the terms of this Scheme, be deemed



to have been raised, used or incurred for and on behalf of the Resulting Company 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 Resulting Company.

- 15.3 For the purpose of giving effect to the order passed under Sections 230 to 232 read with Section 52 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, the Resulting 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 demerger of the Demerged Undertaking, in accordance with the provisions of Sections 230 to 232 read with Section 52 of the Act. The Resulting Company 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. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, the Resulting Company shall be entitled to exercise all rights and privileges, and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Resulting Company pursuant to the sanction of the Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms thereof, without any further act or deed to be done or executed by the Resulting Company. It is clarified that the Resulting Company shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/or substitution.

## 16. DIVIDENDS

- 16.1 Any declaration or payment of dividend or other distribution of capital or income by the Demerged Company and/ or the Resulting Company shall be consistent with their respective past practices in this context.
- 16.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Demerged Company and the Resulting Company to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of Parties, and subject to approval, if required, of their respective shareholders.

## 17. PROPERTY IN TRUST

Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Demerged Undertaking are transferred, vested, recorded, effected and/or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Resulting Company, such company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the relevant Parties, the Demerged Company will continue to hold the property and/or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as the case may be, in trust for and on behalf of the Resulting Company.

## 18. APPLICATIONS/ PETITIONS TO THE TRIBUNAL



The Parties shall make and file all applications and petitions under Sections 230 to 232 read with Section 52 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.

**19. MODIFICATION OR AMENDMENTS TO THIS SCHEME**

- 19.1 The Board of Parties may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. The Board of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.
- 19.2 For the purposes of giving effect to this Scheme or to any modification thereof, the Board of the Parties may give such directions for settling any question or difficulty that may arise and such directions shall be binding on all Parties as if the same were specifically incorporated in this Scheme.

**20. CONDITIONS PRECEDENT**

- 20.1 Unless otherwise decided (or waived) by Parties, the Scheme is conditional upon and subject to the following conditions precedent:
- 20.1.1 approval of the Scheme by the requisite majority of each class of shareholders and/ or creditors of the Parties, if any, as applicable or as may be required under the Act and as may be directed by the Tribunal;
  - 20.1.2 the sanctions and orders of the Tribunal, under Sections 230 to 232 read with Section 52 of the Act being obtained by the Parties;
  - 20.1.3 certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the RoC; and
  - 20.1.4 the requisite consent, approval or permission of Appropriate Authority or any other Person which by the Applicable Law or contract, agreement may be necessary for the implementation of this Scheme.
- 20.2 It is hereby clarified that submission of this Scheme to the Tribunal and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, title, or defences that Parties may have under or pursuant to all Applicable Law(s).
- 20.3 On the approval of this Scheme by the shareholders of the Parties and/ or creditors of the Parties, if any, pursuant to Clause 20.1.1, such shareholders and creditors shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the Scheme.

**21. WITHDRAWAL OF THIS SCHEME AND SEVERABILITY**

- 21.1 Parties, acting jointly, shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.
- 21.2 In the event of withdrawal of the Scheme under Clause 21.1 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their respective shareholders or creditors or employees or any other Person.
- 21.3 In the event of any of the requisite sanctions and approvals not being obtained on or before such date



as may be agreed to by the Parties, this Scheme or relevant part(s) of this Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/or in connection with this Scheme.

- 21.4 In the event of revocation/ withdrawal of the Scheme under Clause 21.1 or Clause 21.2 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties 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 in such case, each Party shall bear its own costs, unless otherwise mutually agreed.
- 21.5 Further, it is the intention of the Parties that each part shall be severable from the remainder of this Scheme and the Scheme shall not be affected if any part of this Scheme is found to be unworkable for any reason whatsoever unless the deletion of such part shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in this Scheme or cause such part to be null and void, including but not limited to such part.

## 22. COSTS AND EXPENSES

All costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) of the Parties, respectively in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/or incidental to the completion of this Scheme shall be borne equally by the Parties.

## 23. SAVING OF CONCLUDED TRANSACTIONS

Nothing in this Scheme shall affect any transaction or proceedings already concluded or liabilities incurred by the Demerged Company with respect to the Demerged Undertaking until the Effective Date, to the end and intent that the Resulting Company shall accept and adopt all acts, deeds and things done and executed by the Demerged Company with respect to the Demerged Undertaking as done and executed on behalf of the Resulting Company.

