

COMPOSITE SCHEME OF ARRANGEMENT**AMONG****ADANI GAS HOLDINGS LIMITED****AND****ADANI GAS LIMITED****AND****ADANI ENTERPRISES LIMITED****AND****THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS*****(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF
THE COMPANIES ACT, 2013)*****A. PREAMBLE**

This composite scheme of arrangement (hereinafter referred to as the **“Scheme”**), *inter alia*, provides for:

- (a) amalgamation of Adani Gas Holdings Limited (**“Transferor Company”**) with Adani Gas Limited (**“Transferee Company”** or **“Resulting Company”**) pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013; and
- (b) subject to satisfactory fulfilment of (a) above i.e., upon amalgamation of the Transferor Company with the Transferee Company becoming effective, demerger of the Demerged Undertaking (*as defined hereinafter*) of Adani Enterprises Limited (**“Demerged Company”**) and transfer of the same to the Resulting Company pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

B. INTRODUCTION

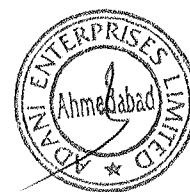
- (i) The Transferor Company was incorporated on 28th day of August 2010 as Mundra LNG Limited, a public company, with the Registrar of Companies, Gujarat, under the provisions of the Companies Act, 1956, with Corporate

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For, Adani Enterprises Ltd.

J. R. Salunkhe
Company Secretary 15

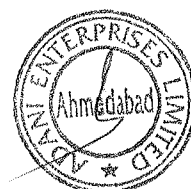
Identification Number U11200GJ2010PLC062148. Its name was changed to Adani Gas Holdings Limited on 15th day of March 2017. The registered office of the Transferor Company is situated at 'Adani House', Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India. The Transferor Company is the holding company of the Transferee Company and holds 100% of the paid-up share capital of the Transferee Company along with its nominees. The entire share capital of the Transferor Company is indirectly held by the Demerged Company. Thus, the Transferor Company is a wholly owned subsidiary of the Demerged Company.

- (ii) The Transferee Company/Resulting Company was incorporated on 5th day of August 2005 as Adani Energy (U.P.) Limited, a public company, with the Registrar of Companies, Gujarat, under the provisions of the Companies Act, 1956, with Corporate Identification Number U40100GJ2005PLC046553. Adani Energy (U.P) Limited was thereafter converted into a private limited company and fresh certificate of incorporation was issued to it on 26th day of March 2009. Its name was then changed to Adani Gas Private Limited on 31st day of December 2009. Adani Gas Private Limited was thereafter converted into a public company as Adani Gas Limited on 8th day of January 2010. The registered office of the Transferee Company/Resulting Company is situated at 'Adani House', Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India. The Transferee Company/Resulting Company is a wholly owned subsidiary of the Transferor Company and in turn a wholly owned subsidiary of the Demerged Company.
- (iii) The Transferee Company/Resulting Company supplies Piped Natural Gas to household, commercial and industrial consumers and Compressed Natural Gas ('CNG') for use in automobiles. As on 31st day of December 2017, the Transferee Company/Resulting Company has set up a gas distribution network of approximately 370 kms of steel pipeline and approximately 5,100 kms of polyethylene pipeline including 71 CNG stations spread across Ahmedabad and Vadodara in the State of Gujarat; Faridabad in the State of Haryana; and Khurja in the State of Uttar Pradesh.
- (iv) The Demerged Company was incorporated on 2nd day of March 1993 as Adani Exports Limited, a public company, with the Registrar of Companies, Gujarat, under the provisions of the Companies Act, 1956, with Corporate Identification Number L51100GJ1993PLC019067. Its name was changed to Adani Enterprises Limited on 10th day of August 2006. The registered office of the Demerged Company is situated at 'Adani House', Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India. The equity shares of the Demerged Company are listed on



BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). The secured redeemable non-convertible debentures issued by the Demerged Company are listed on the Wholesale Debt Market segment of BSE.

- (v) The Demerged Company is global integrated infrastructure conglomerate with significant business interests in resources (coal mining and trading), logistics, sourcing of gas and city gas distribution, energy (power generation) and agri business. The brief description of the major businesses being carried out by the Demerged Company alongwith its subsidiaries, joint venture companies and its associates is as under:
 - (a) The Demerged Company is one of the largest coal trader importing thermal coal from Indonesia and South Africa and supplying the same to various customers in India;
 - (b) The Demerged Company is carrying on the business of sourcing and trading in natural gas. The Demerged Company supports the Transferee Company by sourcing various spares required for city gas distribution related infrastructure. The Demerged Company indirectly holds the entire share capital of the Transferee Company. The Transferee Company, is in the business of supply of Piped Natural Gas and CNG, more particularly stated in Clause B.(iii) above. The aforesaid businesses are hereinafter referred to as **"Gas Sourcing and Distribution Business"**.
 - (c) The Demerged Company is a Mine Developer and Operator in India. Currently, the Demerged Company under a long-term contract has developed and is operating coal mine in the Parsa East-Kente Basan Mine in Chhattisgarh. The Demerged Company through its subsidiaries also carries on coal mining operations in Bunyu Island, Indonesia and in Queensland, Australia;
 - (d) The Demerged Company carries on edible oil refining business under the brand "Fortune" amongst other brands through its 50:50 joint venture company, namely, Adani Wilmar Limited;
 - (e) Further, the Demerged Company, through its subsidiary, Adani Agri Fresh Limited carries on the business of developing integrated storage, handling and transportation infrastructure for horticulture products. Adani Agri Logistics Limited, a wholly owned subsidiary of the Demerged Company, carries on the business of bulk handling, storage and transportation (distribution) of food grains, providing an



end-to-end bulk supply chain solution to Food Corporation of India and various state governments;

- (f) The Demerged Company through its subsidiary, Adani Bunkering Private Limited ('ABPL'), is providing bunkering services (Fuel Oil and Marine Gas Oil) to various ocean going vessels in India. Presently, ABPL has physical bunkering facilities at Mundra, Hazira and Goa with capabilities of supplying bunker fuel to the vessels calling at any port in Gujarat and Goa. ABPL is also supplying duty paid bunkers at other locations on back to back basis through oil public sector undertakings;
- (g) The Demerged Company through its subsidiary, Mundra Solar PV Limited, has set up a manufacturing facility to produce silicon ingots / wafers, silicon solar cells, modules and support manufacturing facilities that includes Ethylene Vinyl Acetate (EVA), back sheets, glass, junction box and solar cell and string interconnect ribbon; and
- (h) The Demerged Company through its associate company, Adani Green Energy Limited, is engaged in the business of development of renewable power projects and generation of renewable power. The Demerged Company also holds 100% of the paid-up equity share capital of Prayatna Developers Private Limited ('PDPL'). PDPL has set up and commissioned in aggregate 220 mega-watts ('MW') solar power projects in the States of Punjab, Andhra Pradesh, Uttar Pradesh and Rajasthan. The Demerged Company also carries on trading and supply of solar and wind energy equipments. The aforesaid businesses mentioned in the present clause are hereinafter referred to as "Renewable Power Business". Presently, a scheme of arrangement is proposed among the Demerged Company and Adani Green Energy Limited for transfer and vesting of the Renewable Power Business from the Demerged Company to Adani Green Energy Limited and the same is pending before the National Company Law Tribunal, Bench at Ahmedabad for sanction.

C. RATIONALE

- (i) The amalgamation of the Transferor company with the Transferee company is proposed for simplification of the holding structure resulting in reduction of managerial overlaps and reduction in multiplicity of legal and regulatory compliances.



- (ii) Further, considering the following factors, it is desired to segregate Gas Sourcing and Distribution Business from other businesses of the Demerged Company.
- (a) Each of the varied businesses being carried on by the Demerged Company either by itself or through its subsidiaries or through associate companies including Gas Sourcing and Distribution Business have significant potential for growth and profitability. The nature of risk, competition, challenges, opportunities and business methods for Gas Sourcing and Distribution Business is separate and distinct from other businesses being carried out by the Demerged Company. The Gas Sourcing and Distribution Business and the other businesses of the Demerged Company are capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which the Gas Sourcing and Distribution Business and other businesses of the Demerged Company are required to be handled and managed. In order to lend greater/enhanced focus to the operation of the said businesses, it is proposed to re-organize and segregate the Gas Sourcing and Distribution Business by way of demerger and transfer the same to the Resulting Company.
 - (b) The segregation would enable greater/enhanced focus of the management in the Gas Sourcing and Distribution Business and other businesses whereby facilitating the management to efficiently exploit opportunities for each of the said businesses.
 - (c) The proposed re-organisation will create enhanced value for shareholders and allow a focused strategy and specialization for sustained growth, which would be in the best interest of all the stakeholders and the persons connected with the aforesaid companies.
 - (d) The demerger will also provide scope for independent collaboration and expansion pertaining to Gas Sourcing and Distribution Business.

D. PARTS OF THE SCHEME

- (a) **Part I** of the Scheme deals with definitions, interpretation and the share capital;
- (b) **Part II** of the Scheme deals with the amalgamation of the Transferor Company with the Transferee Company in accordance with sections 230 to 232 of the Companies Act, 2013;



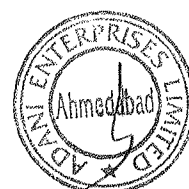
- (c) **Part III** of the Scheme deals with the demerger of the Demerged Undertaking from the Demerged Company and transfer to and vesting into the Resulting Company; and
 - (d) **Part IV** of the Scheme deals with the general terms and conditions applicable to the Scheme.
- E. The amalgamation of the Transferor Company with the Transferee Company/Resulting Company and the demerger of the Demerged Undertaking of the Demerged Company and its transfer to and vesting in the Resulting Company shall be in compliance with the provisions of section 2(1B) and section 2(19AA) of the Income-tax Act, 1961, respectively.

PART I

1. DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1.1. DEFINITIONS

- 1.1.1. **“Act”** means the Companies Act, 2013 and shall include the provisions of the Companies Act, 1956, to the extent the corresponding provisions in the Companies Act, 2013 have not been notified.
- 1.1.2. **“Applicable Law”** means any applicable statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, circulars, orders or instructions having the force of law enacted or issued by any Appropriate Authority, including any statutory modification or re-enactment thereof for the time being in force.
- 1.1.3. **“Appropriate Authority”** means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including, but not limited, to SEBI, Stock Exchanges, Registrar of Companies, Tribunal and Reserve Bank of India.
- 1.1.4. **“Board”** in relation to the Transferor Company, the Transferee Company/Resulting Company and the Demerged Company, as the case may be, means the board of directors of such company, and shall include a committee of directors or any person authorized by the Board or such committee of directors duly constituted and authorized for the purposes of matters pertaining to the arrangement as contemplated under this Scheme and/or any other matter relating thereto.



- 1.1.5. **“BSE”** means the BSE Limited.
- 1.1.6. **“Demerged Company”** means Adani Enterprises Limited, a public company, limited by shares, incorporated under the provisions of the Companies Act, 1956 and having its registered office at ‘Adani House’, Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India.
- 1.1.7. **“Demerged Undertaking”** means all the businesses, undertakings, activities, properties, investments and liabilities, of whatsoever nature and kind and wheresoever situated, pertaining to Gas Sourcing and Distribution Business (which includes (i) the Demerged Company’s strategic investment in the Transferee Company as on the Effective Date 1; (ii) the business relating to sourcing and trading in natural gas; and (iii) the business of sourcing various spares required for city gas distribution related infrastructure for the Transferee Company), including specifically the following:
- (a) all immovable properties, if any, i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) currently being used for the purpose of and in relation to the Gas Sourcing and Distribution Business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
 - (b) all assets, as are movable in nature pertaining to and in relation to the Gas Sourcing and Distribution Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including electrical fittings, furniture, fixtures, appliances, accessories, office equipments, communication facilities, installations and inventory), actionable claims, current assets, earnest monies and sundry debtors, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Appropriate Authority, banks, customers and other persons, the benefits of any bank guarantees, performance guarantees and tax related assets, including but not limited to goods and service tax input credits, CENVAT credits, value added/sales tax/entry tax credits or set-offs, advance tax, tax deducted at source and tax refunds;

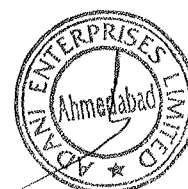


- (c) all permits, licenses, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the Gas Sourcing and Distribution Business;
- (d) all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacture of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Gas Sourcing and Distribution Business;
- (e) all applications (including hardware, software, licenses, source codes, para-meterisation and scripts), registrations, goodwill, licenses, trade names, service marks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the Gas Sourcing and Distribution Business;
- (f) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Demerged Company pertaining to or in connection with or relating to the Demerged Company in respect of the Gas Sourcing and Distribution Business and all other interests of



whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company and pertaining to the Gas Sourcing and Distribution Business;

- (g) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Gas Sourcing and Distribution Business;
- (h) all debts, liabilities including contingent liabilities, duties, taxes and obligations of the Demerged Company pertaining to the Gas Sourcing and Distribution Business and/or arising out of and/or relatable to the Gas Sourcing and Distribution Business including:
 - i. the debts, liabilities, duties and obligations of the Demerged Company which arises out of the activities or operations of the Gas Sourcing and Distribution Business;
 - ii. specific loans and borrowings raised, incurred and utilized solely for the activities or operations of or pertaining to the Gas Sourcing and Distribution Business;
 - iii. in cases other than those referred to in Sub-Clause i. or Sub-Clause ii. 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 bears to the total value of the assets of the Demerged Company immediately prior to the Effective Date 2;
- (i) all employees of the Demerged Company employed/engaged in the Gas Sourcing and Distribution Business as on the Effective Date 2; and
- (j) all Proceedings of whatsoever nature that pertain to the Gas Sourcing and Distribution Business.



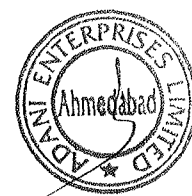
Explanation:

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the Gas Sourcing and Distribution Business or whether it arises out of the activities or operations of the Gas Sourcing and Distribution Business, the same shall be decided by mutual agreement between Board of the Demerged Company and the Resulting Company.

- 1.1.8. **“Effective Date 1”** means opening of business hours of the business day from last of the dates on which the conditions specified in Clause 25.1 and Clause 25.3 are complied with. The Effective Date 1 shall be the appointed date for Part II of the Scheme.
- 1.1.9. **“Effective Date 2”** means opening of business hours of the last of the dates on which the conditions specified in Clause 25.2 and Clause 25.3 are complied with or after seven days of Effective Date 1, whichever is later. The Effective Date 2 shall be the appointed date for Part III of the Scheme.
- 1.1.10. **“NCDs”** means the Non-Convertible Debentures issued by the Transferor Company.
- 1.1.11. **“NSE”** means the National Stock Exchange of India Limited.
- 1.1.12. **“Parties”** means collectively the Transferor Company, the Transferee Company/Resulting Company and the Demerged Company.
- 1.1.13. **“Party”** means the Transferor Company, the Transferee Company/Resulting Company or the Demerged Company, individually.
- 1.1.14. **“Preference Shares”** means 10% - Cumulative Redeemable Preference Shares of the Transferee Company, to be allotted in terms of Clause 6.1(c) hereof, which shall (a) have a face value of Rs.10/- (Rupees Ten Only); (b) bear dividend at the rate of 10% per annum determined from the date of allotment of the Preference Shares on the face value of the Preference Shares; (c) be redeemable at face value in one or more tranches provided however, that the Preference Shares shall anyways be redeemed in full within a maximum period of 3 years from the date of allotment of the Preference Shares; (d) have a preferential right to receive their redemption value in precedence to holders of equity shares during a winding up or repayment of capital; and (e) carry all the statutory rights which may be available to the Preference Shareholder in accordance with the provisions of the Act.



- 1.1.15. **“Record Date 1”** shall be the date to be fixed by the Board of the Transferee Company, for the purpose of determining the equity shareholders and compulsorily convertible preference shareholders of the Transferor Company for issue of New Equity Shares and Preference Shares, respectively (as defined in Clause 6.1 and Clause 1.1.14), pursuant to this Scheme.
- 1.1.16. **“Record Date 2”** shall be the date to be fixed by the Board of the Demerged Company in consultation with the Resulting Company, for the purpose of determining the equity shareholders of the Demerged Company for issue of Resulting Company New Equity Shares (as defined in Clause 17.1), pursuant to this Scheme.
- 1.1.17. **“Remaining Undertaking”** means all the undertakings, businesses, activities and operations of the Demerged Company other than those comprised in the Demerged Undertaking.
- 1.1.18. **“Scheme”** means this composite scheme of arrangement including any modification or amendment hereto, made in accordance with the terms hereof.
- 1.1.19. **“SEBI”** means the Securities and Exchange Board of India.
- 1.1.20. **“SEBI Circular”** means, together, the circular no. CFD/DIL3/CIR/2017/21 dated 10th day of March 2017; the circular no. CFD/DIL3/CIR/2017/26 dated 23rd day of March 2017; the circular no. CFD/DIL3/CIR/2017/105 dated 21st day of September 2017; and the circular no. CFD/DIL3/CIR/2018/2 dated 3rd day of January 2018, each issued by SEBI.
- 1.1.21. **“SEBI Listing Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 1.1.22. **“Stock Exchanges”** means BSE and NSE.
- 1.1.23. **“Transferor Company”** means Adani Gas Holdings Limited, a public company, limited by shares, incorporated under the provisions of the Companies Act, 1956 and having its registered office at ‘Adani House’, Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India.
- 1.1.24. **“Transferee Company”** or **“Resulting Company”** means Adani Gas Limited, a public company, limited by shares, incorporated under the



provisions of the Companies Act, 1956 and having its registered office at 'Adani House', Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India.

- 1.1.25. **“Tribunal”** means the National Company Law Tribunal, Bench at Ahmedabad, which has jurisdiction in relation to the Parties.
- 1.1.26. **“Undertaking of the Transferor Company”** means the Transferor Company and includes all the business, undertakings, assets, properties, investments and liabilities of the Transferor Company, of whatsoever nature and kind and wherever situated, on a going concern basis and with continuity of business of the Transferor Company, which shall include:
- (a) all moveable assets, whether present, future or contingent, in possession or reversion including electrical fittings, equipment, installations, appliances, tools, accessories, power lines, stocks and inventory, computers, communication facilities, furniture, fixtures and office equipment;
 - (b) all current assets, including sundry debtors, receivables, cash, bank balances, loans and advances, actionable claims, bills and credit notes;
 - (c) all licences, rights, entitlements, concessions, clearances, credits, awards, sanctions, allotments, quotas, no-objection certificates, subsidies, tax deferrals, tax credits, (including any credits arising from advance tax, self-assessment tax, other income tax credits, withholding tax credits, minimum alternate tax credits, CENVAT credits, goods and services tax credits, other indirect tax credits and other tax receivables), other claims under tax laws, privileges, incentives (including incentives in respect of income tax, sales tax, value added tax, service tax, custom duties and goods and services tax), benefits, tax holidays, tax refunds (including those pending with any tax authority), advantages, benefits and all other rights and facilities of every kind, nature and description whatsoever;
 - (d) all contracts, bids, letters of intent, arrangements, understandings, engagements, deeds and instruments, purchase orders, service orders, operation and maintenance contracts, memoranda of understanding, hire and purchase agreements, panchnamas for right of way, equipment purchase agreements and all rights, title, interest, claims and benefits thereunder;



- (e) all application monies, advance monies, earnest monies and security and other deposits paid to any person, including any governmental authority, and payments against other entitlements;
- (f) all investments, including long term, short term, quoted, unquoted investments in different instruments, including shares, debentures, units warrants and bonds;
- (g) all liabilities (including contingent liabilities), loans, debts (secured or unsecured), guarantees, duties, responsibilities and obligations;
- (h) all immovable assets, if any, including all freehold, leasehold, leave and licenced, tenancies and any other covenants, title, interest or continuing rights in such immovable assets;
- (i) all intangible assets, including all intellectual property rights and all goodwill attaching to such intellectual property rights;
- (j) all employees of the Transferor Company;
- (k) all reserves, provisions and funds, books, records, files, papers, engineering and process information, software licences, test reports, records of standard operating procedures, computer programs along with their licences, drawings, manuals, data, databases catalogues, quotations, sales and advertising materials, dossiers, product master cards, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form;
- (l) all rights to use and avail telephone, facsimile, e-mail, internet, leased line connections and installations, utilities, electricity and other services; and
- (m) all Proceedings involving the Transferor Company.

1.2. INTERPRETATION

- 1.2.1. All terms and words used in the Scheme but not specifically defined herein shall, unless contrary to the context thereof, have the meaning ascribed to them under the Act.
- 1.2.2. In the Scheme, unless the context otherwise requires:



- (a) words denoting singular shall include plural and vice versa and references to any gender includes the other gender;
- (b) headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- (c) references to the word “include” or “including” shall be construed without limitation;
- (d) references to Clauses are to the Clauses to this Scheme;
- (e) references to the words “hereof”, “herein” and “hereunder” and words of similar import shall refer to this Scheme as a whole and not to any particular provision of this Scheme;
- (f) references in this Scheme to the date of “coming into effect of this Scheme” or “effectiveness of this Scheme” or “Scheme becoming effective” or “Scheme coming into effect” shall mean Effective Date 1 or Effective Date 2, as the case may be;
- (g) reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation;
- (h) reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- (i) word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them;
- (j) references to a person include any individual, firm, body corporate (whether incorporated or not), 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); and
- (k) where a wider construction is possible, the words “other” and “otherwise” shall not be construed ejusdem generis with any forgoing words.



1.3. SHARE CAPITAL

- 1.3.1. The authorised, issued, subscribed and paid-up share capital of the Transferor Company as on 31st day of December 2017 was as under:

Share Capital	Amount in Rupees
<u>Authorized Share Capital</u>	
50,000 equity shares of Rs. 10/- each	5,00,000
24,99,50,000 preference shares of Rs. 10/- each	249,95,00,000
Total	250,00,00,000
<u>Issued, Subscribed and Paid-Up Share Capital</u>	
50,000 equity shares of Rs. 10/- each fully paid up	5,00,000
23,36,00,000 compulsorily convertible preference shares of Rs. 10/- each fully paid up	233,60,00,000
Total	233,65,00,000

- 1.3.2. The authorised, issued, subscribed and paid-up share capital of the Transferee Company/Resulting Company as on 31st day of December 2017 was as under:

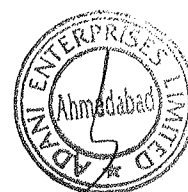
Share Capital	Amount in Rupees
<u>Authorized Share Capital</u>	
26,00,00,000 equity shares of Rs. 10/- each	260,00,00,000
Total	260,00,00,000



Share Capital	Amount in Rupees
<u>Issued, Subscribed and Paid-Up Share Capital</u>	
25,67,42,040 equity shares of Rs. 10/- each fully paid up	256,74,20,400
Total	256,74,20,400

- 1.3.3. The authorised, issued, subscribed and paid-up share capital of the Demerged Company as on 31st day of December 2017 was as under:

Share Capital	Amount in Rupees
<u>Authorized Share Capital</u>	
485,92,00,000 equity shares of Re. 1/- each	485,92,00,000
45,00,000 preference shares of Rs. 10/- each	4,50,00,000
Total	490,42,00,000
<u>Issued, Subscribed and Paid-Up Share Capital</u>	
109,98,10,083 equity shares of Re. 1/- each fully paid-up	109,98,10,083
Total	109,98,10,083



PART II

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFeree COMPANY

2. TRANSFER OF ASSETS AND LIABILITIES

- 2.1. Upon Part II of the Scheme becoming effective and with effect from the Effective Date 1 and pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Act, if any, and in accordance with provisions of section 2(1B) of the Income-tax Act, 1961, the Undertaking of the Transferor Company along with all its assets, liabilities, contracts, employees, licences, records, approvals, etc. being integral part of the Transferor Company shall, without any further act, instrument or deed, stand amalgamated with and be vested in or be deemed to have been vested in the Transferee Company as a going concern so as to become as and from the Effective Date 1, the assets, liabilities, etc. of the Transferee Company by virtue of, and in the manner provided in this Scheme.
- 2.2. Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon Part II of the Scheme becoming effective and with effect from the Effective Date 1:
- 2.2.1. subject to the provisions of this Scheme in relation to the mode of transfer and vesting of the assets and liabilities, the Undertaking of the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been, transferred to, and vested in, the Transferee Company, so as to become, on and from the Effective Date 1, the estate, assets, rights, title, interest and authorities of the Transferee Company, pursuant to sections 230 to 232 of the Act and in accordance with the provisions of section 2(1B) of the Income-tax Act, 1961, subject however, to all charges, liens, mortgages, then affecting the Transferor Company or any part thereof; provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility created by or available to the Transferor Company, which shall be deemed to have been vested with the Transferee Company by virtue of the amalgamation, and the Transferee Company shall not be obliged to create any further or additional security therefore upon coming into effect of this Scheme or otherwise, except in case where the required security has not been created and in such case if the terms thereof require, the Transferee Company will create the security in terms of the issue or arrangement in relation thereto. Similarly, the



Transferee Company shall not be required to create any additional security over assets acquired by it under the Scheme for any loans, deposits or other financial assistance availed/to be availed by it.

- 2.2.2. 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 without any further act or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Effective Date 1.
- 2.2.3. subject to Clause 2.2.4 below, with respect to the assets of the Transferor Company other than those referred to in Clause 2.2.2 above, whether or not the same is held in the name of the Transferor Company, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company pursuant to the provisions of sections 230 to 232 of the Act, with effect from the Effective Date 1. It is hereby clarified that all the investments made by the Transferor Company and all the rights, title and interests of the Transferor Company in any properties of the Transferor Company shall, pursuant to sections 230 to 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company.
- 2.2.4. without prejudice to the aforesaid, all the immovable property, if any, (including but not limited to the land, buildings, offices 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) 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 and/or the Transferee Company. For the purpose of giving effect to the vesting order passed under section 232 of the Act in respect of this Scheme, the Transferee 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 such 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 Transferee Company pursuant to the sanction of the Scheme by the Tribunal and upon the effectiveness of Part II of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by the Transferor Company and/or the Transferee Company. It is clarified that the Transferee 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.

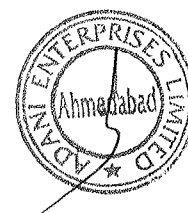
Notwithstanding any provision to the contrary, until the owned property, leasehold property and related rights thereto, license / right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, effected and/ or perfected, in the record of the Appropriate Authority, in favour of the Transferee Company, the Transferee Company is deemed to be authorized to carry on business in the name and style of the Transferor Company under the relevant agreement, deed, lease and/or license, as the case may be, and the Transferee Company shall keep a record and/or account of such transactions.

- 2.2.5. for the avoidance of doubt, it is clarified that upon the effectiveness of Part II of this Scheme and in accordance with the provisions of relevant Applicable Law, all consents, permissions, licenses, certificates, authorities (including for the operation of bank accounts), powers of attorney given by, issued to or executed in favour of the Transferor Company, and the rights and benefits under the same, and all intellectual property rights of whatsoever nature and all other interests relating to the goods or services being dealt with by the Transferor Company, shall be transferred to and vest in the Transferee Company.
- 2.2.6. subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, subsisting or having effect on or immediately before the Effective Date 1, to which the Transferor Company is a party shall remain in full force and effect against or in favour of the Transferee Company and shall be binding on and be enforceable by and against the Transferee Company as fully and effectually as if the Transferee Company had at all material times been a party thereto. The Transferee Company will, if required, enter into novation agreement(s) in relation to such contracts, deeds, bonds, agreements and other instruments as stated above. Any inter-se contracts between the Transferor Company on the one hand and the

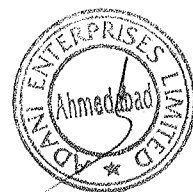


Transferee Company on the other hand shall stand cancelled and cease to operate upon the effectiveness of Part II of this Scheme.

- 2.2.7. without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the assets and liabilities of the Undertaking of the Transferor Company occurs by virtue of this Scheme, the Transferee Company may, at any time after Part II of the Scheme coming into effect, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.
- 2.2.8. in so far as the various incentives, tax exemption and benefits, tax credits, subsidies, grants, special status and other benefits or privileges of whatsoever nature enjoyed, granted by any Appropriate Authority, or availed of and/or entitled to, by the Transferor Company are concerned as on the Effective Date 1, including income tax benefits, deductions, recognitions and exemptions under applicable provisions of the Income-tax Act, 1961, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions with effect from the Effective Date 1.
- 2.2.9. all debts, liabilities, duties and obligations of the Transferor Company shall, pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Act, without any further act, instrument or deed be transferred to, and vested in, and/or deemed to have been stood transferred to, and vested in, the Transferee Company, so as to become on and from the Effective Date 1, 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 2.2.9.

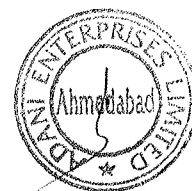


- 2.2.10. if and to the extent there are loans, deposits or balances or other outstanding inter-se between the Transferor Company and the Transferee Company, the obligations in respect thereof shall, on and from the Effective Date 1, come to an end and suitable effect shall be given in the books of the Transferee Company.
- 2.2.11. with effect from the Effective Date 1, there would be no accrual of income or expense on account of any transactions, including *inter alia* any transactions in the nature of sale or transfer of any goods, materials or services between the Transferor Company and the Transferee Company.
- 2.2.12. any tax liabilities under the Income-tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, goods and service tax laws, value added tax laws, as applicable to any State in which the Transferor Company operates, Central Sales Tax Act, 1956, any other State sales tax / value added tax laws, or service tax, or corporation tax, or other Applicable Law and regulations dealing with taxes/ duties/ levies/cess (hereinafter in this Clause 2.2 referred to as "**Tax Laws**") to the extent not provided for or covered by tax provision in the Transferor Company's accounts made as on the date immediately preceding the Effective Date 1 shall be transferred to the Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and tax deducted at source, tax refunds and MAT credit entitlement as on the date immediately preceding the Effective Date 1 will also be transferred to the account of and belong to the Transferee Company.
- 2.2.13. any refund under the Tax Laws due to the Transferor Company consequent to the assessment and which have not been received by the Transferor Company as on the date immediately preceding the Effective Date 1 shall also belong to and be received by the Transferee Company.
- 2.2.14. without prejudice to the generality of the above, all benefits including under Tax Laws, to which the Transferor Company is entitled to in terms of the applicable Tax Laws, including but not limited to advances recoverable in cash or kind or for value, and deposits with any Appropriate Authority or any third party/entity, shall be available to and vest in the Transferee Company.
- 2.2.15. without prejudice to the foregoing provisions of this Clause 2.2, upon the effectiveness of Part II of this Scheme, all debt securities (which includes NCDs) of the Transferor Company, pursuant to the

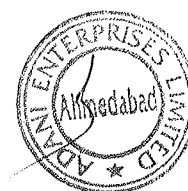


provisions of sections 230 to 232 and other relevant provisions of the Act shall, without any further act, instrument or deed, become the debt securities of the Transferee Company on the same terms and conditions except to the extent modified under the provisions of this Scheme and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company as if it was the issuer of such debt securities, so transferred and vested.

- 2.2.16. with respect to the investments made by the Transferor Company in shares, stocks, bonds, warrants, units of mutual fund or any other securities, shareholding interests, memberships in other companies, whether quoted or unquoted, by whatever name called, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company on the Effective Date 1.
- 2.2.17. it is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., the Transferor Company shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise the same, stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 2.2.18. on and from the Effective Date 1, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company in the name of the Transferor Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.



- 2.2.19. for avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date 1 and till such time that the name of the bank accounts of the Transferor Company have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. 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 1 shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case maybe, continued by or against the Transferee Company after the coming into effect of Part II the Scheme.
- 2.2.20. without prejudice to the provisions of this Clause 2.2, and upon the effectiveness of Part II of this Scheme, the Transferor Company and the Transferee Company shall 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 Registrar of Companies, Gujarat, to give formal effect to the above provisions.
- 2.2.21. upon the effectiveness of Part II of this Scheme, the Transferee Company shall be entitled to file / revise Income Tax returns, TDS Certificates, TDS returns, wealth tax returns and other statutory returns to the extent required for itself and on and/ or behalf of the Transferor Company, as the case may be. The Transferee Company shall be entitled to get credit/claim refunds, advance tax credits, credit of tax including minimum alternate tax, credit of tax deducted at source, credit of foreign tax paid/ withheld, etc., if any, for and / or on behalf of the Transferor Company, as may be required consequent to the implementation of Part II of the Scheme.



3. PERMITS, CONSENTS AND LICENSES

- 3.1. Upon Part II of this Scheme becoming effective, all the licenses, permits, consents, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, affiliations, easements, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by, and all rights and benefits that have accrued to, the Transferor Company, pursuant to the provisions of sections 230 to 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 Effective Date 1, the 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 Law.
- 3.2. Upon the Effective Date 1 and until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, easements, special status 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.

4. EMPLOYEES

- 4.1. On and from the Effective Date 1, the Transferee Company undertakes to engage all the employees, if any, of the Transferor Company on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service as a result of the amalgamation of the Transferor Company with the Transferee Company. The Transferee Company agrees that the services of all such employees with the Transferor Company prior to the amalgamation of the Transferor Company with the Transferee Company shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund and superannuation fund of which they are members will be transferred to such provident fund, gratuity fund and superannuation funds nominated by the Transferee Company and/or such



new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Transferee Company, or to the government provident fund in relation to the employees of the Transferor Company who are not eligible to become members of the provident fund maintained by the Transferee Company. In relation to those employees who are not covered under the provident fund trust of the Transferor Company, and for whom the Transferor Company is making contributions to the government provident fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees.

- 4.2. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Transferor Company. It is clarified that upon transfer of the aforesaid funds to the respective funds of the Transferee Company, the existing trusts created for such funds by the Transferor Company shall stand dissolved.

Notwithstanding the aforesaid, the Board of the Transferee Company, if it deems fit and subject to Applicable Law, shall be entitled to: (i) retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company; or (ii) merge with other similar funds of the Transferee Company.

5. PROCEEDINGS

- 5.1. If any suit, cause of actions, appeal or other legal, taxation, quasi-judicial, arbitral, administrative, or other proceedings of whatever nature, under any Applicable Law (hereinafter referred to as the “**Proceedings**”) by or against the Transferor Company be pending on the Effective Date 1, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in the Scheme, but such Proceedings may be continued, prosecuted, defended, and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. On and from the Effective Date 1, the Transferee Company may initiate any Proceedings for and on behalf of the Transferor Company.



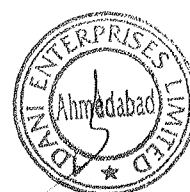
6. CONSIDERATION

6.1. Upon the effectiveness of Part II of this Scheme and in consideration of the amalgamation of the Transferor Company with the Transferee Company, including the transfer and vesting of the assets and liabilities of the Transferor Company in the Transferee Company pursuant to the provisions of this Scheme:

- (a) all the equity shares issued by the Transferee Company and held by the Transferor Company shall stand cancelled;
- (b) the Transferee Company shall, without any further act or deed, issue and allot to each compulsorily convertible preference shareholder, whose name is recorded in the register of members and the records of the depository as preference shareholders of the Transferor Company on the Record Date 1, 1(One) equity share of Rs. 10/- (Rupees Ten only) each of the Transferee Company credited as fully paid-up for every 1 (One) compulsorily convertible preference share of Rs. 10/- (Rupees Ten only) each held by such compulsorily convertible preference shareholder (**"New Equity Shares"**);
- (c) the Transferee Company shall, without any further act or deed, issue and allot to each equity shareholder, whose name is recorded in the register of members and the records of the depository as equity shareholders of the Transferor Company on the Record Date 1, 1 (One) Preference Share of Rs. 10/- (Rupees Ten only) each of the Transferee Company credited as fully paid-up for every 1 (One) equity share of Rs. 10/- (Rupees Ten only) each held by such equity shareholder.

6.2. Upon the New Equity Shares and Preference Shares in the Transferee Company issued and allotted by it to the equity shareholders and compulsorily convertible preference shareholders of the Transferor Company in terms of Clauses 6.1(b) and 6.1(c) above, the equity shares and the compulsorily convertible preference shares of the Transferor Company, shall be deemed to have been automatically cancelled and be of no effect.

6.3. The New Equity Shares issued pursuant to Clause 6.1(b) above shall be issued and allotted in a dematerialized form to those compulsorily convertible preference shareholders who hold such preference shares in the Transferor Company in the dematerialized form, into the account with the depository participant as is intimated by the compulsorily convertible preference shareholders of the Transferor Company to the Transferee



Company. All those compulsorily convertible preference shareholders of the Transferor Company who hold the preference shares of the Transferor Company in physical form shall also have the option to receive the New Equity Shares in dematerialized form provided the details of their account with the depository participant are intimated in writing to the Transferee Company. In the event that the Transferee Company has received notice from any compulsorily convertible preference shareholder of the Transferor Company that the New Equity Shares are to be issued in physical form or if any compulsorily convertible preference shareholder has not provided the requisite details relating to his/her account with a depository participant or other confirmations as may be required or if the details furnished by any compulsorily convertible preference shareholder do not permit electronic credit of the New Equity Shares of the Transferee Company, then the Transferee Company shall issue New Equity Shares in accordance with Clause 6.1(b) above, in physical form to such compulsorily convertible preference shareholder.

- 6.4. The Preference Shares issued pursuant to Clause 6.1(c) above shall be issued and allotted in a dematerialized form to those equity shareholders who hold such equity shares in the Transferor Company in the dematerialized form, into the account with the depository participant as is intimated by the equity shareholders of the Transferor Company to the Transferee Company. All those equity shareholders of the Transferor Company who hold the equity shares of the Transferor Company in physical form shall also have the option to receive the Preference Shares in dematerialized form provided the details of their account with the depository participant are intimated in writing to the Transferee Company. In the event that the Transferee Company has received notice from any equity shareholder of the Transferor Company that the Preference Shares are to be issued in physical form or if any equity shareholder has not provided the requisite details relating to his/her account with a depository participant or other confirmations as may be required or if the details furnished by any equity shareholder do not permit electronic credit of the Preference Shares of the Transferee Company, then the Transferee Company shall issue Preference Shares in accordance with Clause 6.1(c) above, in physical form to such equity shareholder.
- 6.5. In the event that the aggregate number of the New Equity Shares to be issued by the Transferee Company to the compulsorily convertible preference shareholders of the Transferor Company results in a fraction of equity shares, the Board of the Transferee Company shall round-off such fraction to the nearest whole number, and thereupon shall issue and allot the New Equity Shares to the compulsorily convertible preference shareholders of the Transferor Company. Further, fractional entitlements of



individual compulsorily convertible preference shareholders, based on the share exchange ratio prescribed in Clause 6.1(b) above, shall also be rounded-off to the nearest whole number by the Board of the Transferee Company.

- 6.6. In the event that the aggregate number of the Preference Shares to be issued by the Transferee Company to the equity shareholders of the Transferor Company results in a fraction of Preference Shares, the Board of the Transferee Company shall round-off such fraction to the nearest whole number, and thereupon shall issue and allot the Preference Shares to the equity shareholders of the Transferor Company. Further, fractional entitlements of individual equity shareholders, based on the share exchange ratio prescribed in Clause 6.1(c) above, shall also be rounded-off to the nearest whole number by the Board of the Transferee Company.
- 6.7. The New Equity Shares issued and allotted by the Transferee Company, in terms of Clause 6.1(b) above, shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank *pari passu* in all respects with the then existing equity shares, if any, of the Transferee Company after the Record Date 1.
- 6.8. Approval of the Scheme by the equity shareholders of the Transferee Company shall be deemed to be the due compliance of the provisions of section 62 and section 55 of the Act for the issue and allotment of the New Equity Shares and Preference Shares by the Transferee Company to the compulsorily convertible preference shareholders and equity shareholders, respectively, of the Transferor Company, as provided in the Scheme.
- 6.9. As stipulated in Clause 6.1(a) above, all the equity shares issued by the Transferee Company and held by the Transferor Company shall stand cancelled. Such cancellation of the share capital of the Transferee Company upon the amalgamation of the Transferor Company with the Transferee Company shall be effected as a part of the Scheme itself and not in accordance with section 66 of the Act. The order of the Tribunal sanctioning the Scheme shall be deemed to be an order under section 66 of the Act confirming the reduction and no separate sanction under section 66 of the Act shall be necessary.

7. REORGANISATION OF AUTHORISED SHARE CAPITAL

- 7.1. As an integral part of the Scheme, and upon the effectiveness of Part II of this Scheme, the authorised share capital of the Transferor Company shall stand transferred to and be amalgamated with the authorised share capital of the Transferee Company, and that the authorised share capital of the



Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of the Transferee Company, without any liability for payment of any additional fees (including fees and charges to the Registrar of Companies, Gujarat) or stamp duty. For the purpose of the aforesaid increase in the authorised share capital of the Transferee Company and for that limited purpose, the existing authorized equity share capital and the authorised preference share capital of the Transferor Company, without any further act, instrument or deed shall be deemed to have been reclassified to 24,99,50,000 equity shares of Rs. 10/- each and 50,000 preference shares of Rs. 10/- each. Consequently, the authorised share capital of the Transferee Company shall be Rs. 510,00,00,000/- (Rupees Five Hundred and Ten Crores only) comprising of 50,99,50,000 (Fifty Crores Ninety Nine Lacs Fifty Thousand) equity shares of Rs. 10/- (Rupees Ten only) each and 50,000 (Fifty Thousand) preference shares of Rs. 10/- (Rupees Ten only) each, without any further act, instrument or deed.

- 7.2. Clause V. of the Memorandum of Association of the Transferee Company shall, upon the effectiveness of Part II of this Scheme and without any further act or deed, be replaced by the following clause:

“V. The Authorised Share Capital of the Company is Rs. 510,00,00,000/- (Rupees Five Hundred and Ten Crores only) divided into 50,99,50,000 (Fifty Crores Ninety Nine Lacs Fifty Thousand) equity shares of Rs. 10/- (Rupees Ten only) each and 50,000 (Fifty Thousand) preference shares of Rs. 10/- (Rupees Ten only) each.”

- 7.3. The consent of the shareholders of the Transferor Company and the Transferee Company to the Scheme shall be deemed to be sufficient for purposes of effecting the above and that no further action under section 13 or section 61 or any other applicable provisions of the Act, shall be separately required nor shall any additional fees (including fees and charges to the Registrar of Companies, Gujarat) or stamp duty be payable by the Transferee Company.

8. CONDUCT OF BUSINESS BY THE TRANSFEROR COMPANY UNTIL THE EFFECTIVE DATE 1

- 8.1. With effect from the date of approval of this Scheme by the respective Boards of the Transferor Company and the Transferee Company, the Transferor Company undertakes to carry on the business and activities with reasonable diligence, business prudence and shall not except in the ordinary course of business or without prior written consent of the Transferee Company or as provided in this Scheme, alienate, charge, mortgage,



encumber or otherwise deal with or dispose any business or part thereof, provided that the Board of the Transferor Company shall be permitted to enter into transactions for disposal of assets and/or undertaking, with third parties on arms-length basis.

- 8.2. With effect from the date of approval of this Scheme by the respective Boards of the Transferor Company and the Transferee Company, the Transferor Company shall notify the Transferee Company in writing as soon as reasonably practicable of any matter, circumstance, act or omission which is or may be a breach of this Clause 8.

9. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEE COMPANY

- 9.1. Notwithstanding anything to the contrary herein, upon the effectiveness of Part II of this Scheme, the Transferee Company shall give effect to the accounting treatment in its books of accounts in accordance with the accounting standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Effective Date 1.

10. VALIDITY OF EXISTING RESOLUTIONS, ETC.

- 10.1. Upon the effectiveness of Part II of this Scheme, the resolutions of the Transferor Company, as are considered necessary by the Board of the Transferee Company, and that are valid and subsisting on the Effective Date 1, shall continue to be valid and subsisting and be considered as resolutions of 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.

11. DISSOLUTION OF THE TRANSFEROR COMPANY

- 11.1. Upon the effectiveness of Part II of this Scheme, the Transferor Company shall stand dissolved without being wound up, without any further act or deed.



PART III

DEMERGER OF THE DEMERGED UNDERTAKING

12. TRANSFER OF ASSETS AND LIABILITIES

- 12.1. Subject to implementation of Part II of this Scheme and with effect from the Effective Date 2, and subject to the provisions of this Scheme in relation to the mode of transfer and vesting of the Demerged Undertaking, the Demerged Undertaking shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been transferred to and vested in the Resulting Company on a going concern basis, so as to become on and from the Effective Date 2, the estate, assets, rights, title, interest and authorities of the Resulting Company, pursuant to sections 230 to 232 of the Act and all other applicable provisions, if any, of the Act and in accordance with the provisions of section 2(19AA) of the Income-tax Act, 1961.
- 12.2. Without prejudice to the generality of Clause 12.1 above, on and from the Effective Date 2:
- 12.2.1. the Demerged Undertaking including all its assets, properties, investments, shareholding interests in other companies, claims, title, interest, assets of whatsoever nature such as licenses and all other rights, title, interest, contracts or powers of every kind, nature and description of whatsoever nature and wheresoever situated shall, pursuant to the provisions of sections 230 to 232 and other applicable provisions, if any, of the Act, and pursuant to the order of the Tribunal sanctioning this Scheme and without further act or deed or instrument, but subject to the charges affecting the same as on the Effective Date 2, be and stand transferred to and vested in the Resulting Company as a going concern.
- 12.2.2. without prejudice to the generality of Clause 12.2.1 above, with respect to the assets forming part of the Demerged Undertaking 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 Demerged Company without any further act or execution of an instrument with the intent of vesting such assets with the Resulting Company.
- 12.2.3. without prejudice to the aforesaid, the Demerged Undertaking, including all immoveable property, if any, whether or not



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included in the books of the Demerged Company, whether freehold or leasehold (including but not limited to land, buildings, sites and immovable properties and any other document of title, rights, interest and easements in relation thereto) of the Demerged Undertaking shall stand transferred to and be vested in the Resulting Company, without any act or deed to be done or executed by the Demerged Company and/or the Resulting Company. 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 such 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 Part III of this Scheme in accordance with the terms hereof without any further act or deed to be done or executed by the Demerged Company and/or 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.

Notwithstanding any provision to the contrary, from the Effective Date 2 and until the owned property, leasehold property and related rights thereto, license / right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded effected and or perfected, in the record of the Appropriate Authority, in favour of the Resulting Company, the Resulting Company is deemed to be authorized to carry on business in the name and style of the Demerged Company under the relevant agreement, deed, lease and/or license, as the case may be, and the Resulting Company shall keep a record and/or account of such transactions.

- 12.2.4. with respect to the assets of the Demerged Undertaking other than those referred to in Clause 12.2.2 above, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company on the Effective Date 2 pursuant to the provisions of sections 230 to 232 of the Act. All the rights,



title and interests of the Demerged Company in any leasehold properties in relation to the Demerged Undertaking shall, pursuant to sections 230 to 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company.

- 12.2.5. the consents, permissions, licenses, certificates, authorisations (including for the operation of bank accounts), powers of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking, and the rights and benefits under the same shall, and all intellectual property and all other interests relating to the goods or services being dealt with by the Demerged Company in relation to the Demerged Undertaking, be transferred to, and vest in, the Resulting Company.
- 12.2.6. subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, in relation to the Demerged Undertaking, to which the Demerged Company is a party subsisting or having effect on or immediately before the Effective Date 2 shall remain in full force and effect against or in favour of the Resulting Company and shall be binding on and be enforceable by and against the Resulting Company as fully and effectually as if the Resulting Company had at all material times been a party thereto. The Resulting Company will, if required, enter into a novation agreement in relation to such contracts, deeds, bonds, agreements and other instruments as stated above.
- 12.2.7. without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme, the Resulting Company may, at any time on or after the Effective Date 2, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Resulting Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company to carry out or perform all such formalities or

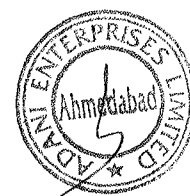


compliances referred to above on the part of the Demerged Company.

- 12.2.8. in so far as the various incentives, tax exemption and benefits, tax credits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Appropriate Authority, or availed of by the Demerged Company, in relation to or in connection with the Demerged Undertaking, are concerned as on the Effective Date 2, including income tax deductions, recognitions and exemptions under applicable provisions of the Income-tax Act, 1961, the same shall, without any further act or deed, vest with and be available to the Resulting Company on the same terms and conditions on and from the Effective Date 2.
- 12.2.9. all debts, liabilities, loans raised and used, obligations incurred, duties of any kind, nature or description (including contingent liabilities which arise out of the activities or operations of the Demerged Undertaking) of the Demerged Company as on the Effective Date 2 and relatable to the Demerged Undertaking ("**Transferred 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 Effective Date 2 and shall become the debts, liabilities, loans, obligations and duties of the Resulting Company which shall meet, discharge and satisfy the same. The term "**Transferred Liabilities**" shall include:
- 12.2.9.1. the debts, liabilities, duties and obligations of the Demerged Undertaking which arises out of the activities or operations of the Demerged Undertaking;
- 12.2.9.2. the specific loans and borrowings raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking; and
- 12.2.9.3. in cases other than those referred to in Clauses 12.2.9.1 or 12.2.9.2 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 bear to the total value of the assets of the Demerged Company immediately prior to the Effective Date 2.



- 12.2.10. in so far as any encumbrance in respect of Transferred Liabilities is concerned, such encumbrance shall, without any further act, instrument or deed being required be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which may have been encumbered in respect of the Transferred Liabilities as transferred to the Resulting Company pursuant to this Scheme. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Undertaking are concerned, the encumbrance, if any, over such assets relating to the Transferred Liabilities, without any further act, instrument or deed being required, be released and discharged from the obligations and encumbrances relating to the same. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which shall continue with the Demerged Company, shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities;
- 12.2.11. any tax liabilities under Customs Act, 1962, Central Excise Act, 1944, goods and service tax laws, value added tax laws, as applicable to any State in which the Demerged Company operates, Central Sales Tax Act, 1956, any other State sales tax / value added tax laws, or service tax, or corporation tax, or other Applicable Law and regulations dealing with taxes/ duties/ levies/cess (hereinafter in this Clause 12.2 referred to as "**Tax Laws**") to the extent not provided for or covered by tax provision in the Demerged Company's accounts, in relation to or in connection with the Demerged Undertaking, made as on the date immediately preceding the Effective Date 2 shall be transferred to the Resulting Company. Any surplus in the provision for taxation/ duties/ levies account as on the date immediately preceding the Effective Date 2 in relation to the Demerged Undertaking will also be transferred to the account of and belong to the Resulting Company.
- 12.2.12. any claims due to the Demerged Company from its customers or otherwise and which have not been received by the Demerged Company as on the date immediately preceding the Effective Date 2 as the case may be, in relation to or in connection with the Demerged Undertaking, shall also belong to and be received by the Resulting Company.



- 12.2.13. without prejudice to the generality of the above, all benefits including under Tax Laws, to which the Demerged Company, in relation to or in connection with the Demerged Undertaking, is entitled to in terms of the applicable Tax Laws, including, but not limited to advances recoverable in cash or kind or for value, and deposits with any Appropriate Authority or any third party/entity, shall be available to, and vest in, the Resulting Company.
- 12.2.14. with respect to the investments made by the Demerged Company in shares, stocks, bonds, warrants, units of mutual fund or any other securities, shareholding interests in other companies, whether quoted or unquoted, by whatever name called, forming part of the Demerged Undertaking, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company on the Effective Date 2 pursuant to the provisions of sections 230 to 232 of the Act.

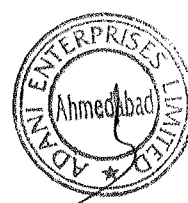
It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good 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.

- 12.2.15. on and from the Effective Date 2, and thereafter, the Resulting Company shall be entitled to operate all bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Demerged Company, in relation to or in connection with the Demerged Undertaking, in the name of the Resulting Company in so far as may be necessary until the transfer of rights and obligations of the Demerged Undertaking to the Resulting Company under this Scheme have been formally given effect to under such contracts



and transactions.

- 12.2.16. for avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date 2 and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, in the name of the Demerged Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking, after the Effective Date 2 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. The Resulting Company shall be allowed to maintain bank accounts in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking. It is hereby expressly clarified that any legal proceedings by or against the Demerged Company, in relation to or in connection with the Demerged Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company shall be instituted, or as the case maybe, continued by or against the Resulting Company after Part III of this Scheme coming into effect.
- 12.2.17. without prejudice to the provisions of the foregoing Clauses of this Clause 12.2, and upon the effectiveness of Part III of this Scheme, the Demerged Company and the Resulting Company shall 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 Registrar of Companies, Gujarat to give formal effect to the above provisions.
- 12.2.18. the Resulting Company shall be entitled to get credit/claim refund regarding any tax paid and/or tax deduction at source



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certificates, pertaining to the Demerged Undertaking.

13. PERMITS, CONSENTS AND LICENSES

- 13.1. All the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, affiliations, easements, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to the Demerged Company, in relation to or in connection with the Demerged Undertaking, pursuant to the provisions of sections 230 to 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 Resulting Company so as to become as and from the Effective Date 2, the estates, assets, rights, title, interests and authorities of the Resulting Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Law.
- 13.2. Upon the Effective Date 2 and until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, special status are transferred, vested, recorded, effected, and/or perfected, in the record of the Appropriate Authority, in favour of the Resulting Company, the Resulting Company is authorized to carry on business in the name and style of the Demerged Company, in relation to or in connection with the Demerged Undertaking, and under the relevant license and or permit and / or approval, as the case may be, and the Resulting Company shall keep a record and/or account of such transactions.

14. EMPLOYEES

- 14.1. Upon the effectiveness of Part III of this Scheme and with effect from the Effective Date 2, the Resulting Company undertakes to engage all the employees of the Demerged Company, engaged in or in relation to the Demerged Undertaking, on the same terms and conditions on which they are engaged by the Demerged Company without any interruption of service as a result of transfer of the Demerged Undertaking to the Resulting Company. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund and superannuation fund of which they are members will be transferred to such provident fund, gratuity fund and superannuation funds nominated by the Resulting



Company and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Resulting Company, or to the government provident fund in relation to the employees of the Demerged Company who are not eligible to become members of the provident fund maintained by the Resulting Company. In relation to those employees who are not covered under the provident fund trust of the Resulting Company, and for whom the Demerged Company is making contributions to the government provident fund, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees.

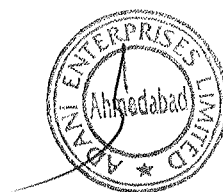
- 14.2. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Demerged Company.

15. PROCEEDINGS

- 15.1. If any Proceedings by or against the Demerged Company be pending, in relation to or in connection with the Demerged Undertaking, on the Effective Date 2, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer and vesting of the Demerged Undertaking or of anything contained in the Scheme, but such Proceedings may be continued, prosecuted, defended and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if the Scheme had not been made. On and from the Effective Date 2, the Resulting Company may initiate any Proceedings for and on behalf of the Demerged Company for matters relating to or in connection with the Demerged Undertaking. The Resulting Company shall have all Proceedings initiated by or against the Demerged Company with respect to the Demerged Undertaking, transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company.

16. SUB-DIVISION OF EQUITY SHARE CAPITAL OF THE RESULTING COMPANY

- 16.1. As an integral part of the Scheme, and, upon the effectiveness of Part III of this Scheme, the face value per equity share of the Resulting Company shall be sub-divided from Rs. 10/- to Re. 1/-, without any further act, instrument or deed on the part of the Resulting Company, such that upon the effectiveness of Part III of this Scheme, the authorised share capital of



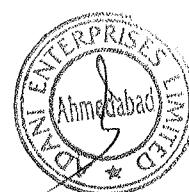
the Resulting Company shall be Rs. 510,00,00,000/- (Rupees Five Hundred and Ten Crores only) comprising of 509,95,00,000 (Five Hundred and Nine Crores and Ninety Five Lacs) equity shares of Re. 1/- (Rupee One only) each and 50,000 (Fifty Thousand) preference shares of Rs. 10/- (Rupees Ten only) each. Clause V of the Memorandum of Association of the Resulting Company shall, upon the effectiveness of Part III of this Scheme and without any further act or deed, be replaced by the following clause:

“V. The Authorised Share Capital of the Company is Rs. 510,00,00,000/- (Rupees Five Hundred and Ten Crores only) divided into 509,95,00,000 (Five Hundred and Nine Crore and Ninety Five Lacs) equity shares of Re. 1/- (Rupee One only) each and 50,000 (Fifty Thousand) preference shares of Rs. 10/- (Rupees Ten only) each.”

- 16.2. It is hereby clarified that for the purposes of Clause 16, the consent of the shareholders of the Resulting Company to the Scheme shall be deemed to be sufficient for sub-division of the equity share capital of the Resulting Company and no further resolutions under the applicable provisions of the Act would be required to be separately passed.
- 16.3. The Resulting Company, upon the effectiveness of Part III of this Scheme, shall file the requisite form with the Registrar of Companies, Gujarat, and pay necessary fees in respect thereof, if required, for sub-division of its equity share capital.

17. CONSIDERATION

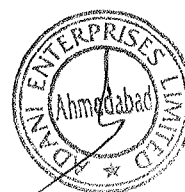
- 17.1. Upon the effectiveness of Part III of this Scheme and in consideration of the transfer and vesting of the Demerged Undertaking into the Resulting Company pursuant to provisions of this Scheme, the Resulting Company shall, without any further act or deed, issue and allot to each shareholder of the Demerged Company, whose name is recorded in the register of members and records of the depository as members of the Demerged Company, on the Record Date 2, 1(One) equity share of Re. 1/- (Rupee One only) each of the Resulting Company credited as fully paid up for every 1 (One) equity share of Re. 1/- (Rupee One only) each held by such shareholder in the Demerged Company (“**Resulting Company New Equity Shares**”).
- 17.2. The Resulting Company New Equity Shares to be issued and allotted as provided in Clause 17.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and shall rank *pari passu* in all respects with the then existing equity shares, if any, of Resulting Company after the Record Date 2 including with respect



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to dividend, bonus entitlement, rights' shares' entitlement, voting rights and other corporate benefits.

- 17.3. In case any shareholder's shareholding in the Demerged Company is such that such shareholder becomes entitled to a fraction of an equity share of the Resulting Company, the Resulting Company shall not issue fractional share certificates to such shareholder but shall consolidate such fractions and issue and allot the consolidated shares directly to a trustee nominated by the Board of the Resulting Company in that behalf, who shall sell such shares in the market at such price or prices and on such time or times as the trustee may in its sole discretion decide and on such sale, shall pay to the Resulting Company, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon the Resulting Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Demerged Company in proportion to their respective fractional entitlements.
- 17.4. The Resulting Company New Equity Shares to be issued pursuant to Clause 17.1 above shall be issued in dematerialized form by the Resulting Company, unless otherwise notified in writing by the shareholders of the Demerged Company to the Resulting Company on or before such date as may be determined by the Board of the Demerged Company. In the event that such notice has not been received by the Resulting Company in respect of any of the shareholders of the Demerged Company, the Resulting Company New Equity Shares shall be issued to such shareholders in dematerialized form provided that the shareholders of the Resulting Company shall be required to have an account with a depository participant and shall be required to provide details thereon and such other confirmations as may be required. In the event that the Resulting Company has received notice from any shareholder that the Resulting Company New Equity Shares are to be issued in physical form or if any shareholder has not provided the requisite details relating to his/hers/its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the shares of the Resulting Company, then the Resulting Company shall issue Resulting Company New Equity Shares in physical form to such shareholder or shareholders.
- 17.5. The Resulting Company New Equity Shares issued and/or allotted pursuant to Clause 17.1, in respect of such of the equity shares of the Demerged Company which are held in abeyance under the provisions of section 126 of the Act shall, pending settlement of dispute by order of court or otherwise, be held in abeyance by the Resulting Company.
- 17.6. The Resulting Company New Equity Shares issued pursuant to Clause



17.1, which the Resulting Company is unable to allot due to Applicable Law (including, without limitation, the non receipt of approvals of Appropriate Authority as required under Applicable Law) or any regulations or otherwise shall, pending allotment, be held in abeyance by the Resulting Company and shall be dealt with in the manner as may be permissible under the Applicable Law and deemed fit by the Board of the Resulting Company including to enable allotment and sale of such Resulting Company New Equity Shares to a trustee as mentioned in Clause 17.3 above and thereafter make distributions of the net sales proceeds in lieu thereof (after deduction of taxes and expenses incurred) to the eligible shareholders of the Demerged Company, in proportion to their entitlements as per the process specified in Clause 17.3 above. If the above cannot be effected for any reason, the Resulting Company shall ensure that this does not delay implementation of the Scheme; and shall, take all such appropriate actions as may be necessary under Applicable Law. The Resulting Company and/or the depository shall enter into such further documents and take such further actions as may be necessary or appropriate in this regard and to enable actions contemplated therein.

- 17.7. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of the Demerged Company shall be empowered prior to or even subsequent to the Record Date 2, to effectuate such transfers in the Demerged Company as if such changes in registered holders were operative as on the Record Date 2, in order to remove any difficulties arising to the transferors of the shares in relation to the shares issued by the Resulting Company. The Board of the Demerged Company shall be empowered to remove such difficulties that may arise in the course of implementation of this Scheme and registration of new shareholders in the Resulting Company on account of difficulties faced in the transition period.
- 17.8. The issue and allotment of the Resulting Company New Equity Shares in terms of this Scheme shall be deemed to have been carried out as if the procedure laid down under section 62 of the Act and any other applicable provisions of the Act have been complied with.
- 17.9. The Resulting Company shall, if and to the extent required to, apply for and obtain any approvals from the Appropriate Authorities including Reserve Bank of India, for the issue and allotment of Resulting Company New Equity Shares by the Resulting Company to the non-resident equity shareholders of the Demerged Company.
- 17.10. The equity shares issued by the Resulting Company shall be listed and admitted to trading on the Stock Exchanges pursuant to this Scheme and in compliance with the applicable regulations and the SEBI Circular. The



Resulting Company shall make all requisite applications and shall otherwise comply with the provisions of the SEBI Circular and Applicable Law and take all steps to procure the listing of the equity shares issued by it.

17.11. The Resulting Company New Equity Shares issued by the Resulting Company shall remain frozen in the depository system till listing/trading permission is given by the Stock Exchanges.

17.12. There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date 2 and the listing of the equity shares on the Stock Exchanges.

18. REDUCTION OF SHARE CAPITAL OF THE RESULTING COMPANY

18.1. Simultaneously, with the issue and allotment of the Resulting Company New Equity Shares by the Resulting Company to the shareholders of the Demerged Company in terms of Clause 17 of the Scheme, the equity shares issued by the Resulting Company to the Demerged Company upon effectiveness of Part II of this Scheme shall stand cancelled, without any further act, instrument or deed. Such cancellation of the share capital of the Resulting Company shall be effected as a part of the Scheme itself and not in accordance with section 66 of the Act. The order of the Tribunal sanctioning the Scheme shall be deemed to be an order under section 66 of the Act confirming the reduction and no separate sanction under section 66 of the Act shall be necessary.

19. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY

19.1. Upon the effectiveness of Part III of this Scheme, the investment held by the Demerged Company in the Resulting Company shall stand cancelled.

19.2. The Demerged Company shall account for the transfer and vesting of the Demerged Undertaking in its books of account as per the applicable accounting standards notified under section 133 of the Act read with relevant rules issued thereunder after considering the adjustment provided under Clause 19.1 of the Scheme.

19.3. The difference being the excess of the book value of the assets over the book value of liabilities pertaining to the Demerged Undertaking and demerged from the Demerged Company pursuant to Part III of this Scheme shall be first adjusted against the Capital Reserve of the Demerged



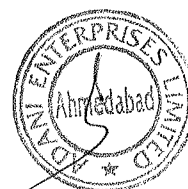
Company and balance if any shall be adjusted against the other reserves of the Demerged Company.

20. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY

- 20.1. Upon the effectiveness of Part III of this Scheme, the shareholding of the Demerged Company in the Resulting Company shall stand cancelled. Upon cancellation, the Resulting Company shall debit to its equity share capital account, the aggregate face value of the equity shares held by the Demerged Company in the Resulting Company which stands cancelled hereof.
- 20.2. The Resulting Company shall account for the transfer and vesting of the Demerged Undertaking in its books of account as per the "Pooling of Interest Method" prescribed under Indian Accounting Standard 103 – "Business Combinations" notified under section 133 of the Act read with relevant rules issued thereunder and other applicable accounting standards prescribed under the Act after considering the adjustment provided under Clause 20.1 of the Scheme.

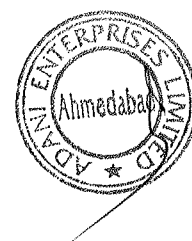
21. CONDUCT OF BUSINESS BY THE DEMERGED COMPANY PERTAINING TO THE DEMERGED UNDERTAKING UNTIL THE EFFECTIVE DATE 2

- 21.1. With effect from the date of approval of this Scheme by the respective Boards of the Demerged Company and the Resulting Company, the Demerged Company undertakes to carry on the business and activities pertaining to the Demerged Undertaking with reasonable diligence, business prudence and shall not except in the ordinary course of business or without prior written consent of the Resulting Company or as provided in this Scheme, alienate, charge, mortgage, encumber or otherwise deal with or dispose any business or part thereof, provided that the Board of the Demerged Company shall be permitted to enter into transactions for disposal of assets and/or undertaking pertaining to the Demerged Undertaking, with third parties on arms-length basis.
- 21.2. With effect from the date of approval of this Scheme by the respective Boards of the Demerged Company and the Resulting Company, the Demerged Company shall notify the Resulting Company in writing as soon as reasonably practicable of any matter, circumstance, act or omission which is or may be a breach of this Clause 21.



22. REMAINING UNDERTAKING

- 22.1. The Remaining Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and remain vested in and be managed by the Demerged Company.
- 22.2. All proceedings by or against the Demerged Company under any statute, whether pending on the Effective Date 2 or which may be instituted at any time thereafter, and relating to the Remaining Undertaking 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 Undertaking) shall be continued and enforced against the Demerged Company.
- 22.3. If proceedings are taken against the Resulting Company in respect of matters referred to in Clause 22.2 above relating to the Remaining Undertaking, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company, against all liabilities and obligations incurred by the Resulting Company in respect thereof.
- 22.4. If proceedings are taken against the Demerged Company in respect of matters referred to in Clause 22.2 above relating to the Demerged Undertaking, it shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the latter shall reimburse and indemnify the Demerged Company, against all liabilities and obligations incurred by the Demerged Company in respect thereof.



PART IV

GENERAL TERMS AND CONDITIONS

23. APPLICATIONS/ PETITIONS TO THE TRIBUNAL AND APPROVALS

- 23.1. The Parties shall dispatch, make and file all applications and petitions under sections 230 to 232 of the Act and other applicable provisions of the Act before the Tribunal, under whose jurisdiction, the registered offices of the respective Parties are situated, for sanction of this Scheme under the provisions of Applicable Law, and shall apply for such approvals as may be required under Applicable Law and for dissolution of the Transferor Company without being wound up.
- 23.2. The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Transferee Company/Resulting Company may require to own the assets and/ or liabilities of the Transferor Company/ Demerged Company pertaining to the Demerged Undertaking and to carry on the business of the Transferor Company/ Demerged Undertaking.

24. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 24.1. The Parties (by their respective Boards), may jointly and as mutually agreed in writing:
- (i) in their full and absolute discretion, assent to any alteration(s) or modification(s) to this Scheme which the Tribunal may deem fit to approve or impose, and/or effect any other modification or amendment jointly and mutually agreed in writing, including, without limitation, any modifications to the accounting treatment set out in the Scheme due to any change in regulatory or compliance requirements being made applicable to the Parties or to the matters set forth in this Scheme, and to do all acts, deeds and things as may be necessary, desirable or expedient for the purposes of this Scheme;
 - (ii) to give such directions (acting jointly) as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those (to the extent permissible under Applicable Law);



- (iii) in their full and absolute discretion, modify, vary or withdraw this Scheme prior to the Effective Date 1 in any manner at any time; and
- (iv) to determine whether any asset, liability, employee, proceedings pertains to the Transferor Company and/or the Demerged Undertaking, or not, on the basis of any evidence that they may deem relevant for this purpose.

24.2. Any modification to the Scheme by any of the Parties, after receipt of sanction by the Tribunal, shall be made only with the prior approval of the Tribunal.

25. CONDITIONS PRECEDENT

25.1. Part II of this Scheme is conditional on and subject to certified copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the Registrar of Companies, Gujarat, having jurisdiction for the Transferor Company and the Transferee Company in relation to Part II of this Scheme.

25.2. Part III of this Scheme is conditional on and subject to certified copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the Registrar of Companies, Gujarat, having jurisdiction for the Demerged Company and the Resulting Company in relation to Part III of this Scheme.

25.3. Other conditions precedent for this Scheme:

25.3.1. The Demerged Company having received observation letter/ no-objection letter from the Stock Exchanges in respect of the Scheme pursuant to Regulations 11, 37 and 94 of the SEBI Listing Regulations read with the SEBI Circular.

25.3.2. The Scheme being approved by the respective requisite majority of each classes of the shareholders and creditors (where applicable) of the Parties in accordance with the Act.

25.3.3. The Scheme being approved by the majority of the public shareholders of the Demerged Company (by way of e-voting) as required under the SEBI Circular. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders, against it as required under the SEBI Circular. The term 'public shareholder' shall carry the same



meaning as defined under Rule 2 of the Securities Contracts (Regulation) Rules, 1957.

25.3.4. The Tribunal having accorded its sanction to the Scheme.

26. EFFECT OF NON-RECEIPT OF APPROVALS AND MATTERS RELATING TO REVOCATION / WITHDRAWAL OF THE SCHEME

- 26.1. In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Tribunal, and/or the order or orders not being passed as aforesaid on or before 31st day of December 2018 or within such further period or periods as may be agreed upon between the Transferor Company, the Transferee Company/Resulting Company and the Demerged Company through their respective Boards, the 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 the Scheme.
- 26.2. The Transferor Company, the Transferee Company/Resulting Company and/or the Demerged Company acting through their respective Board shall each be at liberty to withdraw from this Scheme, (i) in case any condition or alteration imposed by any Appropriate Authority / person is unacceptable to any of them or (ii) they are of the view that coming into effect of the respective parts to this Scheme could have adverse implications on the respective Parties.
- 26.3. In the event of revocation/withdrawal under Clauses 26.1 and 26.2 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company, the Transferee Company/Resulting Company and/or the Demerged 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 in such case, each Party shall bear its own costs, unless otherwise mutually agreed.
- 26.4. Each part in the Scheme shall be given effect to as per the chronology in which it has been provided for in the Scheme.
- 26.5. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor



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Company, the Transferee Company/Resulting Company and the Demerged Company through their respective Boards, affect the validity or implementation of the other parts and/or provisions of this Scheme.

27. COST, CHARGES AND EXPENSES

- 27.1. All costs, charges and expenses (including, but not limited to, any taxes and duties, 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 by the Transferee Company/ Resulting Company.
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