

1
EXHIBIT -2

SCHEME OF ARRANGEMENT

BETWEEN

MEGHA ENGINEERING & INFRASTRUCTURES LIMITED

("Demerged Company")

AND

WESTERN U. P. POWER TRANSMISSION COMPANY LIMITED

("Resulting Company")

AND

THEIR RESPECTIVE SHAREHOLDERS

**(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF
THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER)**

For Western U. P. Power Transmission Co. Ltd.



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I. PREAMBLE

This Scheme of Arrangement (hereinafter referred to as “**Scheme**”) is presented pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013 and the rules made thereunder (to the extent applicable) for the Demerger of the Demerged Undertaking (as defined hereinafter), of Megha Engineering & Infrastructures Limited (“**Demerged Company**” or “**MEIL**”) into Western U. P. Power Transmission Company Limited (“**Resulting Company**” or “**WUPPTCL**”). This Scheme also provides for various other matters consequential, supplemental or otherwise integrally connected therewith and incidental thereto. The Demerged Company and the Resulting Company are hereinafter referred to as the “**Companies**”.

II. DESCRIPTION OF COMPANIES

1. Demerged Company - Megha Engineering & Infrastructures Limited (“MEIL”)

- (i) MEIL (“Demerged Company”) is a company incorporated under the Companies Act, 1956, validly existing under the Companies Act, 2013, having its registered office at S-2, Technocrat Industrial Estate, Balanagar, Hyderabad, Telangana, India- 500037. The Demerged Company was incorporated on 7 June 2006 vide Corporate Identity Number U45202TG2006PLC050271.
- (ii) The Demerged Company is engaged in several businesses including Engineering and Construction services for Irrigation, Drinking Water, Power, Roads, Rail, Manufacturing, Hydrocarbon, Electric Vehicles, City Gas distribution, Renewable Energy, Manufacturing of spiral welded pipes, HDPE pipes, MDPE pipes, valves and vessels and other infrastructure sectors with over 130 group companies. As part of its diversified portfolio it is also engaged in the power transmission business and undertakes the business of handling transmission lines, sub-stations and power plant

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projects, encompassing the implementation of several projects and operations and maintenance (O&M) of the related infrastructure that form part of the transmission network, as a division and operates in this sector through its subsidiaries for the purposes of various regulatory stipulations. The Demerged Company's Transmission Business (as defined hereinafter) caters to the requirements of implementing the projects through its subsidiaries. It is also engaged in providing support activities, as well as supervisory and management functions to its group entities. Incidental to its Transmission Business, it raises funds by way of equity and/or debt for further infusion into various special purpose vehicles (including for refinancing) and provides corporate guarantees on behalf of its subsidiaries and group companies.

(iii) The Demerged Company has inter-alia the following business divisions –

- a. Power Transmission
- b. Hydrocarbons
- c. Transportation
- d. Irrigation
- e. Drinking Water
- f. Manufacturing

2. Resulting Company - Western U. P. Power Transmission Company Limited ("WUPPTCL")

(i) Western U. P. Power Transmission Company Limited ("Resulting Company") is a company incorporated under the Companies Act, 1956, validly existing under the Companies Act, 2013, having its registered office at 400/220/33 KV Sub Station- Indirapuram Kalapatthar, Ghaziabad, Uttar Pradesh, India - 201014. The Resulting Company was incorporated on 11 September 2009 vide Corporate Identity Number U40105UP2009PLC038219.

(ii) The Resulting Company is a wholly owned subsidiary of MEIL or Demerged Company and is primarily engaged, *inter alia*, in the business of developing, operating and

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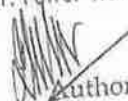
maintaining power transmission lines including sub-stations and associated schemes in specific geographical areas under the Build, Own, Operate, Maintain and Transfer (BOOT) mode.

III. OBJECTIVES /RATIONALE OF THE SCHEME

This Scheme of Arrangement is being proposed broadly for the ease of doing businesses by the group companies by the Demerger of the Demerged Undertaking of MEIL into WUPPTCL. The circumstances that have necessitated or justified the proposed Scheme of Arrangement and its main benefits are, inter alia, summarized as under:

- (i) The Demerged Company engaged in several businesses including Engineering and Construction services for Irrigation, Drinking Water, Power, Roads, Rail, Manufacturing, Hydrocarbon, Electric Vehicles, City Gas distribution, Renewable Energy, Manufacturing of spiral welded pipes, HDPE pipes, MDPE pipes, valves and vessels and other infrastructure sectors with over 130 group companies. As part of its diversified portfolio, it is also engaged in implementation, operation and maintenance of several projects in infrastructure sector and infrastructural areas through its special purpose vehicles. The Demerger would bring synergies in the operations of the Resulting Company and would enable the Resulting Company to focus on the business of the Demerged Undertaking, in a more professional manner and to create a more competitive business both in scale and operations.
- (ii) The Demerged Undertaking is subject to different rates of profitability, growth opportunities, future prospects and risks. The nature of risk and competition involved in these businesses are distinct. With an endeavor to enhance shareholder's value, it is proposed to reorganize and segregate the businesses of the Demerged Undertaking of the Demerged Company into WUPPTCL.

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- (iii) Enable each business to pursue growth opportunities and offer investment opportunities to potential investors.
- (iv) This Scheme will also provide flexibility to rope in strategic/financial investors for the Demerged Undertaking which best suit their investment strategies and risk profile; and
- (v) The Demerger will allow the shareholders of the Demerged Company to unlock their value to the extent it relates to the Demerged Undertaking.

This Scheme is in the best interest of the shareholders, employees and creditors of each of the companies involved in this Scheme.

IV. PARTS OF THE SCHEME

The Scheme is divided into the following parts:

- (i) **PART A** - Deals with definitions, interpretation, and share capital.
- (ii) **PART B** - Deals with the Demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company.
- (iii) **PART C** - Deals with cancellation of share capital of the Resulting Company held by the Demerged Company.
- (iv) **PART D** - Deals with general terms and conditions applicable to this Scheme of Arrangement and other matters consequential and integrally connected thereto.

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PART A

PRELIMINARY, DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1. PRELIMINARY

- 1.1. The Demerged Company is engaged in several businesses including Engineering and Construction services for Irrigation, Drinking Water, Power, Roads, Rail, Manufacturing, Hydrocarbon, Electric Vehicles, City Gas distribution, Renewable Energy, Manufacturing of spiral welded pipes, HDPE pipes, MDPE pipes, valves and vessels and other infrastructure sectors with over 130 group companies. As part of its diversified portfolio it is also engaged in the power transmission business and undertakes the business of handling transmission lines, sub-stations and power plant projects, encompassing the implementation of several projects, the Demerged Company is also in the business of providing operations and maintenance (O&M) services to the infrastructure that form part of the transmission network, as a division and operates in this sector through its subsidiaries for the purposes of various regulatory stipulations. It is also engaged in providing support activities, as well as supervisory and management functions to its group entities. Incidental to its Transmission Business, it raises funds by way of equity and/or debt for further infusion into various special purpose vehicles (including for refinancing) and provides corporate guarantees on behalf of its subsidiaries and group companies. The main objects are set out in the Memorandum of Association of the Demerged Company. They are briefly as under:

1. *"To carry on the business of developers of infrastructure projects of every kind and description, industrial parks, townships, real estate developers, builders, engineers, contractors of civil, mechanical, electrical and structural engineering, construction of drinking water*

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and irrigation projects, roads, sewers, bridges, embankments, dams, canals, ports, etc.

2. *To carry on business as providers of infrastructure facilities of every kind and description either on lease or otherwise and for these purposes to purchase take on lease or otherwise acquire and hold any lands, estates or buildings, rights or interests therein or connected there with and to construct, reconstruct, alter, improve, decorate, furnish and maintain buildings, structures and erections of all kinds and to carry on any other business analogous or incidental thereto.*
3. *To carry on business as manufacturers, importers, exporters, dealers and traders in MS Pipes, PSC Pipes, GRP Pipes, Surge, Protection Devices, electrical, electronic, mechanical and engineering products, devices, tools, goods and accessories of every kind and description, ferrous and non-ferrous metals, metal casting, forgings and structures.*
4. *To carry on business in Power sector comprising of trading, generation, transmission and distribution with conventional and non-conventional sources and renewable and alternative energy sources.*
5. *To carry in business in Hydrocarbon sector comprising exploration, production, processing and engineering procurement and construction of related plant and equipment in petroleum and gas sector.*
6. *To plan, establish, develop, provide, operate, maintain and market various services, including cable or satellite based communications and networking services or broadcasting or broadcasting content services, direct-to-home services, satellite based transmission services and maintain telecommunication networks, systems, services including telephones, telex, message, relay, data transmission, facsimile, television, telematics, value added network services, paging, cellular, mobile, audio and video services, maritime and Aeronautical communication services and other telecommunication services as are in use elsewhere or to be developed in future and to act as satellite based*


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- service provider and carry on the business of generation, distribution, redistribution, reception, transmission, re-transmission of audio, video, data and radio signals.
7. To carry on the business of design, development, manufacture, installation, commissioning, integration, up-gradation, repairs and to act as maintainers, buyers, sellers, hirers, exporters, importers, distributors, representatives and dealers of all military grade products including weapons, small arms, medium & large arms, ammunition, military transport, Infantry Combat Vehicles, defence electronics, avionics, communication equipment, naval systems for Defence Forces including Army, Navy, Air Force, Para Military forces and State police forces and to run the said activity by itself or through partnership, joint venture, Transfer of Technology (ToT) in association with any private, public or foreign technology partners.
 8. To carry on in India or elsewhere the business of exploring, operating and working on mines, quarries, to acquire mining and other rights on coal mines, metals, ores or minerals by purchase, lease, license, grant or otherwise, to engage in the production, extraction, sale and disposal, gasification, liquefaction, trading, import, export, sub-contracting and to deal with coal, metals, minerals and its by products, to mine, quarry or beneficiate coal, coke and other by-products of minerals, to treat and render marketable such of the aforesaid and any other minerals as are capable of commercial exploitation, beneficiation, to install, operate and manage all necessary plants, mines, establishments in India and abroad.
 9. To establish, organize, manage, run, charter, conduct, contract, develop, handle, own, operate, lease the passenger services, freight forwarders, transport, cartage and haulage contractors in India and abroad and to provide carrier, freight, transport and delivery services by land, road, railway, sea, river, canal, water or air through any kind


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of vehicle or mode of transport and to act as booking agents, indenting agents and travel agents for and in connection with these passengers, containers, packages, parcels, articles, mails, goods or bulk commodities."

1.2. The Resulting Company is primarily engaged in the business of developing, operating and maintaining power transmission lines including sub-stations and associated schemes in specific geographical areas under the Build, Own, Operate, Maintain and Transfer (BOOT) mode. The main objects are set out in the Memorandum of Association of the Resulting Company. They are briefly as under:

1. *"To acquire, establish, construct, take over, erect, lay, operate, run, manage, hire, lease, buy, sell, maintain, enlarge, later renovate, modernize, work and use electrical transmission lines and/ or network through extra high voltage, high voltage and associated sub-stations, cables, wires, connected with transmission ancillary services, telecommunication and telemetering equipment in the Western State of U.P. for transmission of power through 765/400 KV Sub-Station transmission lines.*
2. *To undertake for an on behalf of others the erection, operation, maintenance, management of extra high voltage high voltage transmission lines and associated sub-stations, equipment, apparatus, cables and wires.*
3. *To execute agreements for transmission of power to distribution companies and other persons and to coordinate aid and advise on the activities of other companies and concerns, including subsidiaries, associates and affiliated engaged in transmission and wheeling of electrical energy."*

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1.3. The present Directors of the Demerged Company are as follows:

Sr. No.	Name of the Directors	Address
1	N. Thirupathi Rao	H No. 8-2-269/S/101/B. Plot No. 101, Road No. 2, Sagar Society Banjara Hills, Hyderabad, 500034
2	P.P. Reddy	H. No. 8-2-293/82/A/265/P, Road No. 10, Jubilee hills, Hyderabad, 500033
3	Rama Reddy Pamireddy	H. No. 8-2-293/82/A/265/P, Road No. 10, Jubilee Hills, Hyderabad, 500003
4	P.V. Krishna Reddy	H.No. 8-2-293/82/A/295/1, Road No. 25, Jubilee hills, Hyderabad, 500033
5	P. Sudha Rani	H.No. 8-2-293/82/A/295/1, Road No. 25, Jubilee hills, Hyderabad, 500033
6	P. Doraiah	8-3-320/G-106, Keerthi Apartments, Yellareddy guda, Hyderabad, 500073
7	B. Srinivas Reddy	Villa No. 218, Indu Fortune Fields, Phase-13, Near Hitech City, Railway Station, KPHB Colony, Kukatpally, Hyderabad, 500072
8	Ch. Peda Subbaiah	Villa No. 40, H. No. 1-55/208 and 209, Esmeralda Fortune Villas, Kondapur, Near Chirec School, Hyderabad ,500084
9	Boppudi Apparao	205, Vishnu Residency Block-A, 1-1-770/A, Gandhinagar, Hyderabad, 500080
10	Divakar Atluri	Plot No. 114, 8-2-293/82/N1/114, Mla's & Mp's Colony, Road No. 10c, Jubilee Hills, Hyderabad, Telangana, India, 500033

1.4. The present Directors of the Resulting Company are as follows:

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Sr. No.	Name of the Directors	Address
1	Srinivasa Reddy Bonthu	15-31 RTP Block No 26, Flat No 105, Raintree Park Malaysian Township, KPHB Colony Kukatpally, Tirumalagiri, Hyderabad, 500085
2	P.P. Reddy	H. No. 8-2-293/82/A/265/P, Road No. 10, Jubilee Hills, Hyderabad, 500033
3	P.V. Krishna Reddy	H. No. 8-2-293/82/A/295/1, Road No. 25, Jubilee Hills, Hyderabad, 500033
4	P. Sudha Rani	H. No. 8-2-293/82/A/295/1, Road No. 25, Jubilee Hills, Hyderabad, 500033
5	Ch. Peda Subbaiah	Villa No. 40, H. No. 1-55/208 and 209, Esmeralda Fortune Villas, Kondapur, Near Chirec School, Hyderabad, Telangana, India, 500084

- 1.5. The Scheme does not affect the rights of the creditors of any of the Demerged Company, and the Resulting Company. There will not be any reduction in amounts payable to any of the creditors of the Demerged Company and the Resulting Company, post sanctioning of the Scheme.
- 1.6. The Board of the Demerged Company and the Resulting Company are of the view that the rights and obligations of each of the shareholders of the Demerged Company, and the Resulting Company are not impacted in any way post sanctioning of the Scheme.
- 1.7. The employees of the Demerged Company, pertaining to the Demerged Undertaking in service shall be deemed to have become the employees of the Resulting Company without interruption in their service. Further, the terms and conditions of their

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employment with the Resulting Company shall not be less favourable than those applicable to them with reference to their employment with the Demerged Company.

- 1.8. There are no proceedings/investigation pending against the Demerged Company, the and the Resulting Company under Sections 210 to 217, 219, 220, 223, 224, 225, 226 & 227 of the Companies Act, 2013.

2. DEFINITIONS

In this Scheme of Arrangement, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings as mentioned herein below:

- 2.1. **“Act” or “the Act”** means the Companies Act, 2013, and rules made there under and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.
- 2.2. **“Appointed Date”** for the Demerger means April 1, 2025 or such other date as may be approved by the National Company Law Tribunal, Hyderabad Bench and Allahabad Bench or any other Appropriate Authority.
- 2.3. **“Appropriate Authority”** means any government, statutory, regulatory, departmental or public body or authority of the Jurisdiction over the Demerged Company and the Resulting Company, including Regional Director, Registrar of Companies and the National Company Law Tribunal, Hyderabad Bench and the National Company Law Tribunal, Allahabad Bench.
- 2.4. **“Board of Directors” or “Board”** shall mean the Board of Directors of the Demerged Company and the Resulting Company or any committee, respectively, thereof duly constituted or any other person duly authorized by the Board for the purpose of this Scheme.


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2.5. **“Demerged Company”** means Megha Engineering & Infrastructures Limited, a company incorporated on 7 June 2006 vide Corporate Identity Number U45202TG2006PLC050271, having its registered office at S-2, Technocrat Industrial Estate Balanagar, Hyderabad, Telangana, India - 500037.

2.6. **“Demerged Undertaking”** means all the businesses, undertakings, activities and operation (together with its assets, properties and liabilities) of the Demerged Company, of whatsoever nature and kind and wheresoever situated, forming part of the Transmission Business including the Operations and Maintenance (O&M) services in relation to the completed and operational transmission projects. Additionally, the assets, liabilities and employees related to the Transmission Business and O&M services for the completed and operational transmission projects shall be demerged, due to the conditions as specified in the respective transmission agreements, carried on in India, of the Demerged Company. Without prejudice and limitation to the generality of the above, Demerged Undertaking shall mean and include the following as on the Appointed Date:

- (i) All the assets / properties relating to the Transmission Business and O&M services for the completed and operational transmission projects of the Demerged Company, whether movable or immovable, whether tangible or intangible including all rights, title, interest, covenant, including continuing rights, title and interest in connection with the land and the buildings thereon whether, corporeal or incorporeal, leasehold or freehold, and includes all rights, titles, interest and covenant, undertakings, liability relating thereto, capital work in progress, other fixed assets, shares and securities, inventory and work in progress, all the loans and includes all rights, titles, interest and advances, other assets (excluding tax refunds receivable, duty drawback incentives receivable or any other similar kind of refund due from regulatory authorities as on the Appointed Date) forming part of the Transmission

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Business and O&M services for the completed and operational transmission projects of the Demerged Company as on the Appointed Date.

- (ii) All assets that are movable in nature including non-current investments forming part of the Transmission Business and O&M services for the completed and operational transmission projects, including investments in subsidiaries operating in the Transmission Business and O&M services for the completed and operational transmission projects, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (including plant and machinery, furniture, fixtures, appliances, accessories, office equipment, communication facilities, installations, stock in trade, store and spares), actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, investment and shares in entities/branches/ undertaking of the Transmission Business and O&M services for the completed and operational transmission projects, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with government, semi government, local and other authorities and bodies, banks, customers and other persons, the benefits of any bank guarantees, performance guarantees and tax related assets, including but not limited to service tax input credits, minimum alternate tax credit, if any, goods and service tax/value added/sales tax/entry tax credits or set-offs, advance tax, tax deducted at source and tax refunds.
- (iii) All the debts, borrowings and liabilities present or future, whether secured or unsecured forming part of the Transmission Business and O&M services for the completed and operational transmission projects of the Demerged Company as on the Appointed Date.

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- (iv) All statutory licenses, approvals, permissions, no-objection certificates, permits, consents, clearances, registrations, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, concessions, subsidies, tax deferrals and exemptions and other benefits of all contracts / agreements (including but not limited to contracts / agreements with vendors, customers, government etc.), all other rights (including but not limited to right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), liberties and advantages, approval for commissioning of project and other licenses or clearances granted/ issued/ given by any governmental, statutory or regulatory or local or administrative bodies, organisations or companies for the purpose of carrying on the Transmission Business and O&M services for the completed and operational transmission projects or in connection therewith including those relating to privileges, powers, facilities or every kind and description of whatsoever nature and the benefits thereto forming part of the Transmission Business and O&M services for the completed and operational transmission projects of the Demerged Company as on the Appointed Date.
- (v) All staff, workmen, and employees engaged in the Transmission Business and O&M services for the completed and operational transmission projects of the Demerged Company.
- (vi) All contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memorandum of understanding, memorandum of undertakings, memorandum of agreed points, bids, tenders, tariff policies, expression of interest, letters of intent, hire and purchase arrangements, lease/license agreements, tenancy rights, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description,

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whether vested or potential and written, oral or otherwise and all rights, title, interests, claims and benefits thereunder forming part of the Transmission Business and O&M services for the completed and operational transmission projects of the Demerged Company.

- (vii) All rights to use and avail telephones, 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, 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 and possession and in control of or vested in or granted in favour of or enjoyed by Demerged Company in relation to the Transmission Business and O&M services for the completed and operational transmission projects 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 in relation to the Transmission Business and O&M services for the completed and operational transmission projects.
- (viii) All books, records, files, papers, information, computer programs, manuals, data, catalogues, quotations, sales advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form forming part of the Transmission Business and O&M services for the completed and operational transmission projects of the Demerged Company.
- (ix) All earnest monies and/or security or public deposits, tax credits, subsidies, grants, tax incentives, indirect tax credit, TDS, GST credit, incentives, etc. in connection with or relating to the Transmission Business and O&M services for the completed and operational transmission projects of the Demerged Company.

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It is hereby clarified that the Board of the Demerged Company and Resulting Company shall solely determine the detailed list of the assets including Intangible Assets, (including balances with Government authorities), liability, employee(s), legal or other proceeding(s), etc., forming part of the Demerged Undertaking to be transferred/ vested in the Resulting Company pursuant to the Demerger under Part B below.

- 2.7. **"Demerger"** means the transfer by way of demerger in accordance with the provisions of Section 2(19AA) of the Income Tax Act, 1961 of the Demerged Undertaking to the Resulting Company and the consequent issue of Equity Shares by the Resulting Company to the shareholders of the Demerged Company as set out in this Scheme.
- 2.8. **"Effective Date"** shall mean the last of the dates on which the conditions and matters specified in Clause 16 occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme. Any reference in this Scheme to the "Effective Date", "Scheme becoming effective" or "On the Scheme becoming effective" or "Upon the Scheme becoming effective" or "Effectiveness of the Scheme" shall be construed as references to the "Effective Date."
- 2.9. **"Equity Share(s)"** means the equity shares of the Demerged Company and the Resulting Company.
- 2.10. **"Financial Statements"** means the annual accounts (including balance sheet, cash flow statements and the statement of profit and loss) of the Demerged Company or and Resulting Company including the accounts drawn up to the Appointed Date.
- 2.11. **"Government Authority"** means Central Government, any applicable state or local government, legislative body, regulatory or administrative authority, agency or commission or any Court, Tribunal, Board, Bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction.


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- 2.12. **"GST regulations"** means applicable provisions of the Central Goods and Services Tax Act, 2017 and/or the Integrated Goods and Services Tax Act, 2017 and/or respective State Goods and Services Tax Act and/or the Union Territory Goods and Services Tax Act, 2017 along with the applicable rules made thereunder.
- 2.13. **"INR"** means Indian Rupees.
- 2.14. **"Intangible Assets"** means and includes all intellectual property and industrial property rights and rights in confidential information of every kind and description throughout the world, whether registered or unregistered, and including, software, research and development, business claims, business information, business records, goodwill, including without limitation, in relation to the business of the Demerged Company.
- 2.15. **"IT Act"** means the Income-tax Act, 1961 read with relevant rules made thereunder.
- 2.16. **"NCLT / Tribunal"** means collectively, (i) the National Company Law Tribunal, Hyderabad Bench having jurisdiction over the Demerged Company and (ii) the National Company Law Tribunal, Allahabad Bench having jurisdiction over the Resulting Company, as applicable. The expression "Upon approval of the Scheme by the Tribunal" / "From the date of approval of the Scheme by the Tribunal" / "date on which the Scheme is approved by the Tribunal" shall mean the date on which the present Scheme is finally approved by the Tribunal (i.e., each of the National Company Law Tribunal, Hyderabad Bench and the National Company Law Tribunal, Allahabad Bench).
- 2.17. **"Record date"** means the date on which the Scheme is approved by the Tribunal and determining the shareholders of the Demerged Company, who shall be entitled to receive consideration pursuant to this Scheme on that date.

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- 2.18. **“Registrar of Companies” or “ROC”** means Registrar of Companies, Hyderabad having jurisdiction over the State of Telangana and Registrar of Companies, Allahabad having jurisdiction over the State of Uttar Pradesh, as applicable.
- 2.19. **“Remaining Business”** means all the undertakings, businesses, activities and operations, assets, liabilities and employees of the Demerged Company relating to the business activities other than the Demerged Undertaking of the Demerged Company.
- 2.20. **“Resulting Company” or “WUPPTCL”** means Western U. P. Power Transmission Company Limited, a company incorporated on 11 September, 2009 vide Corporate Identity Number U40105UP2009PLCO38219, having its registered office at 400/220/33 KV Sub Station- Indirapuram Kalapatthar, Ghaziabad, Uttar Pradesh, India - 201014.
- 2.21. **“Scheme” or “this Scheme”** means this Scheme of Arrangement in its present form submitted to the NCLT, Hyderabad Bench and/or NCLT, Allahabad Bench or any other Appropriate Authority in the relevant jurisdictions, with any modification(s) thereto as the NCLT, Hyderabad Bench and/or NCLT, Allahabad Bench or any other Appropriate Authority may direct.
- 2.22. **“Transmission Business”** means the business relating to power transmission, which includes handling transmission lines and sub-stations developing and constructing transmission systems, commissioning of power projects, providing infrastructure services in India with respect to completed and operational transmission projects, whether undertaken directly or through the Demerged Company's subsidiaries.
- 2.23. The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act and / or other applicable laws, rules, regulations, bye-

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laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

3. SHARE CAPITAL OF THE COMPANIES

3.1. MEIL


The authorised, issued, subscribed and paid-up share capital of the Demerged Company as per its Financial Statements as on March 31, 2024 is as follows:

Authorised Capital	Amount (INR)
1,50,00,00,000 Equity Shares of INR 10 each	15,00,00,00,000
Total	15,00,00,00,000
Issued, Subscribed and Paid-up Capital	Amount (INR)
15,60,10,000 Equity Shares of INR 10 each fully paid-up	1,56,01,00,000
Total	1,56,01,00,000

Subsequent to March 31, 2024 there has been no change in the share capital of the Demerged Company.

3.2. WUPPTCL

The authorised, issued, subscribed and paid-up share capital of the Resulting Company as per its Financial Statements as on March 31, 2024 is as follows:

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Authorised Capital	Amount (INR)
15,00,00,000 Equity Shares of INR 10 each	1,50,00,00,000
12,00,00,000, 0.01% Compulsory Redeemable Cumulative Preference shares of INR 100 each	12,00,00,00,000
Total	13,50,00,00,000
Issued, Subscribed and Paid-up Capital	Amount (INR)
1,41,60,000 Equity Shares of INR 10 each	14,16,00,000
7,20,91,650, 0.01% Compulsory Redeemable Cumulative Preference shares @ Rs.100 each	7,20,91,65,000
Total	7,35,07,65,000

Subsequent to March 31, 2024, there has been no change in the share capital of the Resulting Company.

4. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme shall be effective in its present form or with any modification(s) approved or imposed or directed by the NCLT or any other Appropriate Authority and shall become effective from the Appointed Date as defined in Section 232 (6) of the Act.

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PART B**DEMERGER OF THE DEMERGED UNDERTAKING FROM THE DEMERGED
COMPANY INTO THE RESULTING COMPANY****5. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING FROM
THE DEMERGED COMPANY INTO THE RESULTING COMPANY**

5.1. Upon the Scheme becoming effective, the Demerged Undertaking of the Demerged Company shall stand transferred from the Demerged Company to the Resulting Company, as provided in this Scheme, and, pursuant to the provisions of Section 230 read with section 232 and other applicable provisions of the Act, if any and also in accordance with Section 2(19AA) of the IT Act and without any further act, instrument or deed, matter or thing be transferred on a going concern basis such that as and from the Appointed Date all the assets and debts outstanding, credits, liabilities, duties and obligations whatsoever concerning the Demerged Undertaking of the Demerged Company as on the Appointed Date shall, accordingly stand transferred to and vested in and/or be deemed to be and stand transferred to and vested in the Resulting Company, as set out in the Scheme hereunder.

5.2. Without prejudice to Clause 5.1 above, upon the Scheme becoming effective

- (i) All property, including land, buildings and any other immovable property, if any, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto, shall stand vested in the Resulting Company, without any act or deed done by the Demerged Company or the Resulting Company, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/


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substitution of the title to such immovable properties shall be made and duly recorded in the name of the Resulting Company by the Appropriate Authorities pursuant to the sanction of the Scheme by the Tribunal in accordance with the terms hereof. The Demerged Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to the Resulting Company.

- (ii) All assets of the Demerged Undertaking of the Demerged Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall stand vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested, and the title to such property shall be deemed to have been transferred and vested accordingly. No stamp duty shall be payable on the transfer of such movable properties upon its transfer and vesting in the Resulting Company.
- (iii) All the debts, borrowings and liabilities, present or future, whether secured or unsecured of the Demerged Undertaking of the Demerged Company as on the Appointed Date, be transferred to, or deemed to be transferred to the Resulting Company.
- (iv) All statutory licenses, approvals, permissions, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, benefits of all contracts / agreements (including but not limited to contracts / agreements with vendors, customers, government etc.), all other rights (including but not limited to right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), of

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the Demerged Undertaking of the Demerged Company as on the Appointed Date, be transferred to, or deemed to be transferred to the Resulting Company.


- (v) All staff, workmen, and employees engaged in the Demerged Undertaking of the Demerged Company as on the Appointed Date, be transferred to, or deemed to be transferred to the Resulting Company.
- (vi) All records, files, papers, information, computer programs, manuals, data, catalogues, quotations, sales advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form of the Demerged Undertaking of the Demerged Company as on the Appointed Date, be transferred to, or deemed to be transferred to the Resulting Company.
- (vii) All earnest monies and/or security or public deposits, tax credits, subsidies, grants, tax incentives, indirect tax credit, TDS, GST credit, Merchandise Exports from India Scheme (MEIS) incentives, etc. in connection with or relating to the Demerged Undertaking of the Demerged Company as on the Appointed Date, be transferred to, or deemed to be transferred to the Resulting Company.

- 5.3. With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description relating to the Demerged Undertaking of the Demerged Company which may accrue or arise after the Appointed Date but which is related to the period up to the Effective Date, if any, whether quantified or not shall pursuant to the Scheme and as per the provision of Section 230 of the Act read with section 232 of the Act, without any further act or deed, be transferred to, or be deemed to be transferred to the Resulting Company, so as to become as and from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and the Resulting Company undertakes to meet, discharge and satisfy the same.

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- 5.4. In respect of general or multipurpose borrowings, debts, liabilities, if any, shall be transferred to or be deemed to be transferred to the Resulting Company as may be mutually agreed by the Board of Directors of the Demerged Company and the Resulting Company. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this clause (though the Resulting Company may, if it deems appropriate, give notice to the debtors that the debts stand transferred to and vested in the Resulting Company).
- 5.5. Where any of the liabilities and obligations attributed to the Demerged Undertaking of the Demerged Company on the Appointed Date has been discharged by the Demerged Company after the Appointed Date and prior to the Scheme becoming effective, such discharge shall be deemed to have been discharged for and on the behalf of the Resulting Company.
- 5.6. The transfer and vesting of the Demerged Undertaking of the Demerged Company as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting in relation to any loans or borrowings of the Demerged Undertaking of the Demerged Company, provided however, any reference in any security documents or arrangements, to which the Demerged Company is a party, wherein the assets of the Demerged Undertaking of the Demerged Company have been or are offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Demerged Undertaking of the Demerged Company as are vested in the Resulting Company, by virtue of this Scheme, to the end and intent that such security, charge, hypothecation and mortgage shall not extend or be deemed to extend, to any of the other assets of the Demerged Company or any of the assets of the Resulting Company, provided further that the securities, charges, hypothecation and mortgages (if any

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subsisting) over and in respect of the assets or any part thereof of the Resulting Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages and shall not extend or be deemed to extend, to any of the assets of the Demerged Undertaking of the Demerged Company as vested in the Resulting Company, provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Demerged Company in relation to the Demerged Undertaking of the Demerged Company which shall vest in the Resulting Company by virtue of the vesting of the Demerged Undertaking of the Demerged Company with the Resulting Company and the Resulting Company shall not be obliged to create any further or additional security therefore after the Scheme has become operative.

- 5.7. All the loans, advances and other facilities sanctioned to the Demerged Company in relation to the Demerged Undertaking of the Demerged Company by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to the Resulting Company and the said loans and advances shall be drawn and utilized either partly or fully by the Demerged Company from the Appointed Date till the Scheme becoming effective and all the loans, advances and other facilities so drawn by the Demerged Company in relation to the Demerged Undertaking of the Demerged Company (within the overall limits sanctioned by their bankers and financial institutions) shall on the date of the Scheme becoming effective be treated as loans, advances and other facilities made available to the Resulting Company and all the obligations of the Demerged Company in relation to the Demerged Undertaking of the Demerged Company under any loan agreement shall be construed and shall become the obligation of the Resulting Company without any further act or deed on the part of the Resulting Company.

- 5.8. Upon the Scheme becoming effective, the Resulting Company alone shall be liable to perform all obligations in respect of the transferred liabilities, which have been

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transferred to it in terms of this Scheme, and the Demerged Company shall not have any obligations in respect of such transferred liabilities.

- 5.9. Upon the Scheme becoming effective, the Resulting Company shall, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangement with any party to any contract or arrangement to which the Demerged Undertaking of the Demerged Company is a party in order to give formal effect to the above provisions. The Resulting Company shall 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 part of the Demerged Company.
- 5.10. Upon the Scheme becoming effective, the Resulting Company shall be entitled to secure the record of the change in the legal ownership upon the vesting of the assets of the Demerged Undertaking of the Demerged Company in accordance with the provisions of Sections 230 to 232 of the Act. The Demerged Company and the Resulting Company shall be jointly and severally authorized to execute any writings and / or carry out any formalities or compliance in this regard.
- 5.11. All taxes, duties, cess payable by the Demerged Company related to the Demerged Undertaking of the Demerged Company including all or any refunds / claims (such as tax refunds, duty drawback incentives or any other similar kind of refund due from regulatory authorities) pertaining to the period prior to the Appointed Date that may arise after the Appointed Date shall be the liability or refunds / claims, as the case may be, of the Demerged Company and shall not be construed as belonging to the Resulting Company.
- 5.12. Upon the Scheme becoming effective and with effect from the Appointed Date, all existing and future incentives, unavailed credits and exemptions, benefit of carried forward losses, unabsorbed depreciation and other statutory benefits, including in respect of income tax (including Minimum Alternative Tax), customs, VAT, sales tax,

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service tax, goods and services tax, incentives, other specific indirect incentives, etc. relating to the Demerged Undertaking to which Demerged Company is entitled to shall be available to and vest in the Resulting Company.

- 5.13. All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Demerged Undertaking of the Demerged Company and all rights and benefits that have accrued or which may accrue to the Demerged Undertaking of the Demerged Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of the Act, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Resulting Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Resulting Company and shall remain valid, effective and enforceable on the same terms and conditions.
- 5.14. The Resulting Company shall, if required, file relevant intimations, e-forms, for the record of the statutory authorities signifying the transfer of the assets / properties including but not limited to permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorisations of the Demerged Undertaking of the Demerged Company.
- 5.15. The Demerged Company and the Resulting Company shall be entitled to file/ revise their statutory returns (if required) and related tax payment certificates and claim refunds, advance tax credits etc. as may be required consequent to the implementation of the Scheme.

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- 5.16. The Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the IT Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the IT Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of IT Act. Such modification will however not affect the other parts of the Scheme.
- 5.17. Upon the coming into effect of this Scheme, the investment limits of the Resulting Company in terms of Section 186 of the Act shall be deemed increased without any further act, instrument or deed to the equivalent of the aggregate investments forming part of the Demerged Undertaking transferred by the Demerged Company to the Resulting Company pursuant to the Scheme. Such limits shall be incremental to the existing investment limits of the Resulting Company.
- 5.18. Upon the coming into effect of this Scheme, the borrowing limits of the Resulting Company in terms of Section 180(1) (c) of the Act shall be deemed to be increased without any further act, instrument or deed to the equivalent of the aggregate borrowings forming part of the liabilities transferred by the Demerged Company to the Resulting Company pursuant to the Scheme. Such limits shall be incremental to the existing borrowing limits of the Resulting Company.

6. CONSIDERATION


- 6.1. Upon approval of the Scheme by the Tribunal and in consideration of the transfer and vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company pursuant to the Scheme, the Resulting Company shall without any further application, act, instrument or deed, issue and allot Equity Shares credited as fully paid up, to the extent indicated below to the members of the Demerged Company

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holding fully paid Equity Shares of the Demerged Company and whose name appear in the register of members of the Demerged Company as on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of Directors of the Resulting Company in the following proportion:

- a) 1,000 (one thousand) fully paid-up Equity Shares of INR 10 (Rupees ten only) each of the Resulting Company for every 11,018 (eleven thousand eighteen) Equity Shares of INR 10/- (Rupees ten only) each held on the Record Date by the equity shareholders in the Demerged Company.
- 6.2. Any fractional entitlement arising out of issuance and allotment of Equity Shares of the Resulting Company to the shareholders of the Demerged Company pursuant to Clause 6.1 shall be rounded off to the nearest integer.
 - 6.3. Where shares of the Resulting Company are to be allotted to heirs, executors or administrators or, as the case may be, to the successors of the deceased equity shareholders of the Demerged Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Resulting Company.
 - 6.4. The approval of the Scheme by the shareholders of the Resulting Company shall be deemed to be the approval under section 62 read with section 42 of the Act read with relevant rules made thereunder, for the purpose of issue and allotment of shares by the Resulting Company to the shareholders of the Demerged Company and shall be deemed to have complied with the provisions of the Act, if any and any other applicable provisions of the Act, and such other statutes and regulations as may be applicable.
 - 6.5. The shares issued and allotted by the Resulting Company in terms of Part B of the Scheme shall be subject to the provisions of the Memorandum and Articles of

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Association of the Resulting Company and shall inter-se rank pari passu in all respects with the then existing Equity Shares and preference shares, if any, respectively, of the Resulting Company, save and except in relation to dividends declared, and distributed by the Resulting Company from the Appointed Date till the date of approval of the Scheme by the Tribunal to which only the existing Equity Shares of the Resulting Company will be entitled to.


7. CHANGE IN THE SHARE CAPITAL STRUCTURE OF THE RESULTING COMPANY

Upon the Scheme coming into effect, the issued and subscribed share capital structure of the Resulting Company shall automatically comprise only of the equity share capital.

8. LEGAL PROCEEDINGS

8.1. Upon the Scheme coming into effect, all the legal or other proceedings by or against the Demerged Undertaking of the Demerged Company, under any statute, whether pending on the date of the Scheme coming into effect or which may be instituted in future in respect of any matter arising before the date of the Scheme coming into effect and relating to the Demerged Undertaking of the Demerged Company, shall be continued and enforced by or against the Resulting Company after the date of the Scheme coming into effect. Except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings that stands transferred to the Resulting Company.

8.2. If proceedings are commenced against the Demerged Company in relation to its Demerged Undertaking, for the matters referred above between the Appointed Date and the date of the Scheme coming into effect, the Demerged Company shall defend the same as per the advice of the Resulting Company. The Resulting Company will reimburse the entire costs and indemnify the Demerged Company against all liabilities incurred by the Demerged Company in respect thereof.

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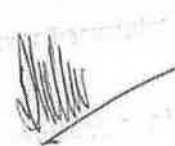
8.3. If any suit, appeal or other proceedings of whatever nature by or against the Demerged Undertaking of the Demerged Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of this Demerger or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted 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.

8.4. On and from the date of the Scheme becoming effective, the Resulting Company shall, and may, if required, initiate, continue any legal proceedings in relation to the Demerged Undertaking of the Demerged Company.

8.5. The transfer of the Demerged Undertaking of the Demerged Company and the continuance of the proceedings by or against the Demerged Company pursuant to this Scheme, shall not affect any transactions or proceedings already concluded by the Demerged Company, in the ordinary course of business on or after the Appointed Date and the Resulting Company accept and adopt on behalf of itself all acts, deeds and things done lawfully and executed by the Demerged Company in regard thereto as having been done or executed on behalf of the Resulting Company, as the case may be.

9. CONTRACTS, DEEDS, OTHER INSTRUMENTS

9.1. Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which pertaining to the Demerged Undertaking of the Demerged Company and to which the Demerged Company is a party, or the benefit to which the Demerged Company may be eligible, subsisting or operative immediately on or before the date of the Scheme becoming effective, shall be in full force and effect against or in favour of the Resulting Company and may be



enforced as fully and effectively as if instead of the Demerged Company, the Resulting Company had been a party or beneficiary thereto. Further, the Resulting Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company, to give effect to the provisions of this Scheme.


9.2. As a consequence of the Demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company in accordance with or pursuant to this Scheme, the recording of change in name in the records of the statutory or regulatory authorities from the Demerged Company to the Resulting Company, whether pertaining to any licence, permit, approval or any other matter, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other appropriate authority concerned.

9.3. The Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite agreement, confirmations or novations to which the Demerged Company will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if it is so required or if it becomes necessary.

10. TAXATION MATTERS

10.1. The Demerger, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(19AA) of the IT Act. Upon the Scheme coming into effect –

- (i) all the property of the Demerged Undertaking, being transferred by the Demerged Company, immediately before the Demerger, becomes the property of the Resulting Company by virtue of the Demerger.


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- (ii) Liabilities being transferred by the Demerged Company, immediately before the Demerger, become the liabilities of the Resulting Company by virtue of the Demerger.


the property of the Demerged Undertaking and the liabilities being transferred by the Demerged Company are transferred at values appearing in the books of account of the Demerged Company immediately before the Demerger.

Provided that the provisions of this sub-clause shall not apply where the Resulting Company records the value of the property of the Demerged Undertaking and the liabilities at a value different from the value appearing in the books of account of the Demerged Company, immediately before the Demerger, in compliance to the Indian Accounting Standards specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015.

- (iii) the Resulting Company issues, in consideration of the Demerger, its shares to the shareholders of the Demerged Company on a proportionate basis except where the Resulting Company itself is a shareholder of the Demerged Company.
- (iv) the shareholders holding not less than three-fourths in value of the shares in the Demerged Company (other than shares already held therein immediately before the Demerger, or by a nominee for, the Resulting Company or, its subsidiary) become shareholders of the Resulting Company by virtue of the Demerger and
- (v) the transfer of the undertaking by virtue of the Demerger is on a going concern basis.

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- 10.2. This Scheme has been drawn up to comply with the conditions relating to Demerger as defined under Section 2(19AA) of the IT Act and relating to carry forward of accumulated losses and unabsorbed depreciation pertaining to the "Demerged Undertaking" as specified under Section 72A of the IT Act and other relevant sections of the IT Act. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the provisions of the said section of the IT Act shall prevail and the Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments, as may become necessary, shall vest with the Board of Directors of the Demerged Company and the Resulting Company and the same shall be exercised reasonably with the best interests of both the Companies and their stakeholders.
- 10.3. Upon the Scheme becoming effective, with effect from the Appointed Date all taxes payable by the Demerged Undertaking of the Demerged Company under the IT Act, Finance Act, 1994, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws, Central Sales Tax Act, 1956, Goods and Service Tax Act, 2017 or other applicable laws/ regulations dealing with taxes/ duties/ levies (hereinafter referred to as "Tax Laws") shall be to the account of the Resulting Company. Similarly, all credits for tax deduction at source on income of the Demerged Undertaking of the Demerged Company, or obligation for deduction of tax at source on any payment made by or to be made by the Demerged Undertaking of the Demerged Company shall be made or deemed to have been made and duly complied with by the Resulting Company if so made by the Demerged Company. Similarly, any advance tax payment required to be made for by the specified due dates in the Tax Laws shall also be deemed to have been made by the Resulting Company if so, made by the Demerged Undertaking of the Demerged Company.

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- 10.4. Any refunds under the Tax Laws due to the Demerged Undertaking of the Demerged Company (including tax refunds, duty drawback incentives or any other similar kind of refund due from regulatory authorities) relating to the period prior to the Appointed Date, consequent to the assessments made on the Demerged Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall belong to and be received by the Demerged Company.
- 10.5. All taxes of any nature, duties, cesses or any other like payments or deductions made by the Demerged Undertaking of the Demerged Company or any of its agents to any statutory authorities such as Income-tax, sales tax, and service tax, or any tax deduction/ collection at source, tax credits under Tax Laws/ GST laws, etc., relating to the period after the Appointed Date shall be deemed to have been on account of or paid by the Resulting Company, and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Resulting Company upon the Scheme becoming effective and upon relevant proof and documents being provided to the said authorities.
- 10.6. Allowance of deduction under Sections 40(a) and 43B of the IT Act, in the year of payment, of such expenses previously disallowed in the hands of the Demerged Undertaking of the Demerged Company, shall vest in and become available to the Resulting Company pursuant to this Scheme.

11. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE OF THE SCHEME

- 11.1. With effect from the Appointed Date up to the Effective Date of the Scheme:
- (i) The Demerged Company shall carry on, and be deemed to have carried on its business, operations or activities, and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets, properties,

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liabilities or undertaking pertaining to the Demerged Undertaking on behalf of and / or in trust for the Resulting Company.

(ii) All profits or income accruing or arising to the Demerged Undertaking of the Demerged Company, or losses arising or expenditure incurred by it, pertaining to the Demerged Undertaking, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure, as the case may be, of the Resulting Company.

(iii) All assets howsoever acquired by the Demerged Company for carrying on its business, operations or activities pertaining to the Demerged Undertaking and the liabilities relating thereto shall be deemed to have been acquired and are also contracted for and on behalf of the Resulting Company.

11.2. The Resulting Company shall also be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, department and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Resulting Company may require including the registration, approvals, exemptions, relieves, etc., as may be required / granted under any law for the time being in force for carrying on business of the Demerged Undertaking of the Demerged Company.

11.3. The transfer of assets, properties, liabilities and the continuance of proceedings by or against the Demerged Company pertaining to the Demerged Undertaking shall not affect any transaction or proceedings already concluded by the Demerged Company on or after the Appointed Date to the end and intent that the Resulting Company accepts and adopts all acts, deeds things done and executed by the Demerged Undertaking of the Demerged Company, in regard thereto as done executed by the Resulting Company on behalf of itself.

12. STAFF, WORKMEN AND EMPLOYEES


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- 12.1. Upon the Scheme coming into effect, all staff, workmen and employees on the payrolls of the Demerged Undertaking of the Demerged Company, in service on the date of approval of the Scheme by the Tribunal shall be deemed to have become staff, workmen, and employees of the Resulting Company on such date without any break or interruption in their service and on the terms and conditions of their employment not less favourable than those subsisting with reference to the Demerged Undertaking of the Demerged Company upon the Scheme becoming effective.
- 12.2. As of the date of filing of this Scheme, the Demerged Undertaking of the Demerged Company shall make contributions to the government maintained provident fund and / or other funds in relation to all its staff, workmen and employees. The Resulting Company shall, subsequent to the date of approval of the Scheme by the Tribunal make appropriate contributions towards such provident fund and / or other funds in respect of the staff, workmen and employees taken over by it pursuant to this Scheme.
- 12.3. It is clarified that the services of all the transferred staff, workmen and employees of the Demerged Undertaking of the Demerged Company engaged with the Demerged Undertaking, to the Resulting Company will be treated as having been continuous for the purpose of the aforesaid employee benefits and / or liabilities. For the purpose of payment of any retrenchment compensation, gratuity, and / or other terminal benefits, and / or any other liability pertaining to staff, workmen and employees, the past services of such staff, workmen and employees with the Demerged Company shall also be taken into account by the Resulting Company, which shall pay the same if and when payable.
- 12.4. In so far as the existing benefits or funds created by the Demerged Company for the remaining employees are concerned, the same shall continue and the Demerged Company shall continue to contribute to such funds and trusts in accordance with the

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provisions thereof, and such funds and trusts, if any, shall be held inter alia for the benefit of the remaining employees.

13. POWER TO GIVE EFFECT

The Resulting Company shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Demerged Undertaking of the Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Demerged Undertaking of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company to give effect to the provisions of this Scheme.

14. ACCOUNTING TREATMENT

The accounting treatment of the Demerger of the Demerged Undertaking in the books of the Demerged Company and the Resulting Company shall be in compliance with the applicable accounting standards notified under Section 133 of the Act, accounting standard as notified by Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other generally accepted accounting principles in India.

14.1. Accounting treatment in the books of the Demerged Company

Upon the Scheme becoming effective, the Demerged Company shall account for the Demerger in its books of account in the following manner:

- (i) The Demerged Company shall derecognise from its books of accounts, the carrying values of the assets and liabilities pertaining to the Demerged Undertaking as on the Appointed Date that are held in or transferred to the

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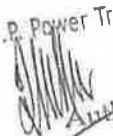
Resulting Company pursuant to this Scheme in accordance with de-recognition related stipulations contained in Indian Accounting Standards (Ind AS).

- (ii) The net amount so de-recognised and the adjustment thereof against retained earnings will be presented separately in the Financial Statements as impact of the Demerger.
- (iii) The excess of the carrying amount of assets transferred over the carrying amount of liabilities transferred shall be debited to appropriate reserve within equity; and
- (iv) The Demerged Company shall de-recognise the carrying amount of investments in the Resulting Company cancelled pursuant to this Scheme.

14.2. **Accounting treatment in the books of the Resulting Company**

Upon the Scheme becoming effective, the Resulting Company shall account for the Demerger in its books of account in the following manner:

- (i) With effect from the Appointed Date, all the asset and liabilities of the Demerged Undertaking of the Demerged Company shall be transferred to and vested in the Resulting Company and shall be recorded at their respective book values as on the Appointed Date.
- (ii) The Resulting Company shall credit its share capital account with the aggregate face value of the equity shares issued to the shareholders of Demerged Company pursuant to Clause 6.1 of this Scheme.
- (iii) The Resulting Company to cancel its share capital pursuant to Part-C of this Scheme.

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- (iv) The difference, if any, between the amount recorded as share capital issued by the Resulting Company as per Clause 14.2(ii) of the Scheme and the amount of assets and liabilities taken over of the Demerged Undertaking of the Demerged Company as per Clause 14.2(i) after necessary adjustments as per Clause 14.2 (iii) of the Scheme, difference shall be credited to the "Capital Reserve."

14.3. General Accounting Treatment

- (i) In case of any differences in accounting policies between the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company shall prevail to ensure that the Financial Statements reflect the financial position on the basis of consistent accounting policies.
- (ii) The amount of any inter-company balances between the Demerged Company and the Resulting Company including the investment held by the Demerged Company in the shares of Resulting Company, loans and advances extended by the Demerged Company to the Resulting Company, appearing in the Financial Statements of the respective companies relating to the Demerged Undertaking, shall stand cancelled without any further act or deed, upon the Scheme coming into effect, and the amounts so cancelled shall not be recorded in the Financial Statements of the Resulting Company.

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PART C

15. CANCELLATION OF SHARE CAPITAL OF THE RESULTING COMPANY HELD BY THE DEMERGED COMPANY


- 15.1. Upon this scheme, being effective in accordance with the order approved by the NCLT under Sections 230 to 232 of the Act, the equity and preference shares held by the Demerged Company in the Resulting Company (representing the entire issued, subscribed and paid-up share capital) shall stand cancelled.
- 15.2. After the cancellation of the initial share capital and issue of shares to the shareholders of the Demerged Company, the shareholding pattern of the Resulting Company shall be the same as that of the Demerged Company. No consideration shall be payable to the shareholders of the Resulting Company on account of cancellation of such share capital pursuant to this clause.
- 15.3. Upon cancellation of the total paid up share capital of the Resulting Company as per the clause above, the total paid up share capital of the Resulting Company shall stand reduced to the extent of the nominal value of the shares cancelled.
- 15.4. Notwithstanding the reduction in the total paid up share capital of the Resulting Company, the Resulting Company shall not be required to add "And reduced" as a suffix to its name.
- 15.5. Upon filing of the Order sanctioning the Scheme, the reduction shall be deemed to take effect from the Effective Date.
- 15.6. Since the said reduction is an integral part of the Scheme under Sections 230 to 232 of the Act and will be made effective pursuant to order(s) the NCLT sanctioning the scheme in terms of Sections 230 to 232 of the Act, the provisions of Section 66 of Companies Act, 2013 shall not be applicable.

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- 15.7. The order of the NCLT sanctioning the Scheme shall also be deemed to be an order under Section 66 of the Companies Act, 2013 confirming the reduction.

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PART D
GENERAL TERMS AND CONDITIONS


16. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS

16.1. The Scheme is conditional upon and subject to satisfaction or waiver of following requirements (the Scheme will be effective when the last of the following requirements is achieved or waived as the case may be)

- (i) Approval by requisite majority of the members and creditors of all the companies involved in the Scheme;
- (ii) Approval of the Scheme by relevant regulatory authorities, and/or receipt of requisite consent, approval or permission from other relevant regulatory authority, if required under Applicable Law;
- (iii) Sanction of the Scheme by the NCLT;
- (iv) Certified copies of the orders of the NCLT, sanctioning the Scheme being filed with the jurisdictional ROC.

Notwithstanding anything to the contrary, the Board of the Demerged Company and Resulting Company shall solely determine the detailed list of the assets including Intangible Assets, (including balances with Government authorities), liability, employee(s), legal or other proceeding(s), etc., forming part of the Demerged Undertaking to be transferred/vested in the Resulting Company as of the Effective Date.

16.2. In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person.

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17. APPLICATION TO THE NCLT

- 17.1. All the companies involved in the Scheme shall, with all reasonable dispatch, make applications to the NCLT, under Sections 230 to 232 of the Act and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective members and / or creditors and for sanctioning this Scheme, with such modifications as may be approved by the NCLT.
- 17.2. Upon this Scheme being approved by the requisite majority of the respective members, and creditors of the Demerged Company and the Resulting Company (as may be directed by the NCLT), the Demerged Company and the Resulting Company with all reasonable dispatch, apply to the NCLT, for sanction of this Scheme under Sections 230 to 232 of the Act and other applicable provisions of the Act, and for such other order or orders, as the said NCLT may deem fit for carrying this Scheme into effect.
- 17.3. Upon approval of the Scheme by the Tribunal, the respective shareholders of all the companies involved in the Scheme shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

18. REMAINING BUSINESS

The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be continued to be owned and managed by the Demerged Company. All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Demerged Company's Remaining Business (including those relating to

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any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company after the date of sanction of the Scheme. The Resulting Company shall in any event not be responsible or liable in relation to any such legal, taxation or other proceeding against the Demerged Company, which relate to the Remaining Business.

19. MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 19.1. All the companies involved in the Scheme, represented by their respective Board of Directors, may make and / or consent to any modifications / amendments to the Scheme or to any conditions or limitations that the NCLT or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e., the Board of Directors).
- 19.2. All the companies involved in the Scheme shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the NCLT or any other authority or any bank or financial institution is unacceptable to them or otherwise if so mutually agreed.
- 19.3. All the companies involved in the Scheme by their respective Board of Directors shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of any other authority or otherwise however arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.

20. EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS

In the event of any of the said sanctions / approvals not being obtained and / or the Scheme not being sanctioned by the NCLT, this Scheme shall stand revoked, cancelled

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and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

21. COST, CHARGES, AND EXPENSES

All costs, charges, fees, taxes including duties (including the stamp duty and/or transfer charges, if any, applicable in relation to this Scheme), levied and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions and matters incidental thereto in relation to Part B and Part C of this Scheme shall be borne and paid by the Demerged Company.

22. MISCELLANEOUS

- 22.1. The mutation of the title in respect of the immovable properties shall be made and duly recorded by the Appropriate Authorities pursuant to the sanction of the Scheme and upon approval of the Scheme by the Tribunal, in accordance with the terms hereof, in favour of the Resulting Company, in respect of the immovable properties vested in it (if any). Any inchoate title or possessory title of the Demerged Company (as case may be) or its predecessor companies shall be deemed to be the title of the Resulting Company.
- 22.2. It is the intention of the Parties that any Part of the Scheme, as may be mutually decided by the Board of each of the Parties, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected by such alteration.

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