COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION

(UNDER SECTIONS 230-232 READ WITH SECTION 52 AND SECTION 66 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS AND RULES THEREUNDER)

AMONGST

SREI INFRASTRUCTURE FINANCE LIMITED

AND

SREI EQUIPMENT FINANCE LIMITED

AND

SREI ASSET FINANCE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Certified To Be True Copy
Srei Infrastructure Finance Ltd.
Sandeep Kr. Lakhotia
Company Secretary

A. PREAMBLE

This Composite Scheme of Arrangement and Amalgamation is presented pursuant to the provisions of the 2013 Act (*defined in Part I below*) for the restructuring of the businesses of Srei Infrastructure Finance Limited (**"SIFL"**), Srei Equipment Finance Limited (**"SEFL"**) and Srei Asset Finance Limited (**"SAFL"**), wholly owned subsidiaries of SIFL on a going concern basis, including:

(1) the demerger of SEFL Leasing Business *(defined in Part I below)* into SAFL;

(2) the amalgamation of residual SEFL *(post demerger in terms of Part III of the Scheme (defined in Part I below))*, into and with SIFL; and

(3) the demerger of SIFL Leasing Business, SIFL Rental Business and SIFL Equipment Finance Business (*each, defined in Part I below*) *(post amalgamation in terms of Part IV of the Scheme)* into SAFL.

B. BACKGROUND OF THE COMPANIES

1. **SIFL**

(a) SIFL (CIN: L29219WB1985PLC055352) is a public company limited by shares incorporated on March 29, 1985 under the provisions of the 1956 Act (*defined in Part I below*). The registered office of SIFL is situated at Vishwakarma, 86C, Topsia Road (South), Kolkata - 700046. SIFL is a Systemically Important Non-deposit Taking Non-Banking Financial Company ("**NBFC-ND-SI**") registered with the Reserve Bank of India **("RBI")** under the category "Infrastructure Finance Company".

(b) SIFL is a financial services conglomerate offering infrastructure project financing, fee based advisory and development services, infrastructure equipment financing, alternative investment fund services, capital market and insurance broking services by itself and through its various subsidiaries. The equity shares of the SIFL are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") in India.

(c) As of September 30, 2018 the promoter and the promoter group of SIFL owns 60.8% of paid-up outstanding equity shares and balance is held by public shareholders.

(d) The areas of SIFL's diversified business activities are the following:

(i) Leasing Business: where the ownership of the asset remains with SIFL (as lessor), while it permits the lessee (user) to use an asset (the "**SIFL Leasing Business**"). In SIFL Leasing Business, the lease typically spans a portion of the asset's useful life, and the lessor retains the residual risk of the asset.

(ii) Equipment Rental Business: which is the rental business undertaken through Quippo Oil and Gas Infrastructure Limited ("**QOGIL**") (the "**SIFL Rental Business**"). SIFL holds equity shares and Redeemable Cumulative Optionally Convertible Preference Shares of QOGIL.

(iii) Equipment Finance Business: where the financing is provided by SIFL to borrowers either for purchase of large assets/equipment or against security

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of such assets/equipment (the "**SIFL Equipment Finance Business**"). In SIFL Equipment Finance Business, the ownership of assets/equipment remains with the borrowers. SIFL Equipment Finance Business provides funding majorly for wind infrastructure and other large assets/equipment.

(iv) Infrastructure Finance Business: where SIFL provides financial products and services for customers engaged in infrastructure development and construction, with focus on power, road, telecom, port, oil and gas and special economic zone sectors in India with a medium to long term perspective.

(v) Other businesses and investments in the infrastructure sector including infrastructure finance, advisory comprising all the infrastructure financing activities and project advisory services.

2. **SEFL**

(a) SEFL (CIN: U70101WB2006PLC109898) is a wholly owned subsidiary of SIFL and a public company limited by shares incorporated on June 13, 2006 under the provisions of the 1956 Act. SEFL is a NBFC-ND-SI registered with the RBI under the category "Asset Finance Company". Non-Convertible Debentures of SEFL are listed on the wholesale debt market segment of BSE Limited and National Stock Exchange of India Limited. The registered office of SEFL is situated at Vishwakarma, 86C, Topsia Road, Kolkata - 700046. SEFL is engaged in the following activities:

(i) Leasing Business: where the ownership of the asset remains with SEFL (as lessor), while it permits the lessee (user) to use an asset (the "**SEFL Leasing Business**"). In SEFL Leasing Business, the lease typically spans a portion of the asset's useful life, and the lessor retains the residual risk of the asset.

(ii) Equipment Finance Business: where the financing is provided by SEFL to borrowers either for purchase of large assets/equipment or against security of such assets/equipment ("**SEFL Equipment Finance Business**"). In SEFL Equipment Finance Business, the ownership of assets/equipment remains with the borrowers. SEFL Equipment Finance Business provides funding majorly for construction and mining equipment and other assets/equipment.

(iii) SEFL Leasing Business and SEFL Equipment Finance Business deal with companies operating in the construction, mining, technology and solutions, healthcare, ports and railways, oil and gas, agriculture and transportation sectors. Its financial products comprise loans, leases, rentals and fee-based services.

(b) The equity shares of SEFL are not listed on any stock exchange.

3. **SAFL**

(a) SAFL (CIN: U65999WB2014PTC202301) is a public company limited by shares incorporated on June 30, 2014 under the provisions of the 2013 Act.

(b) SAFL was incorporated as Srei Asset Reconstruction Private Limited, and its name was changed to 'Srei Asset Finance Private Limited', and it was ultimately changed to 'Srei Asset Finance Limited' and a new certificate of incorporation was issued on January 31, 2019.

(c) SAFL was incorporated for engaging in the business of managing financial assets, and/or acquisition of any or all financial assets, property or secured assets, of any nature. The registered office of SAFL is situated at Vishwakarma 86C, Topsia Road (South), Kolkata -700046. As on December 31, 2018, SIFL along with its nominees hold the entire equity share capital of SAFL.

4. Save and except SIFL, the equity shares of each of SEFL and SAFL are unlisted. SIFL, SEFL and SAFL are collectively referred to as "**Companies**" hereinafter.

C. RATIONALE

1. This Scheme (*defined in Part I below*) is expected to enable better realisation of potential of the businesses and yield beneficial results and enhanced value creation for the companies which are party to this Scheme, their respective shareholders, lenders and employees. The Scheme is proposed with a view to achieve the following benefits:

   i. the proposed Scheme will result in consolidation of SIFL Leasing Business and SEFL Leasing Business; and SIFL Equipment Finance Business and SEFL Equipment Finance Business in a single entity i.e. SAFL, resulting in alignment of interest of all shareholders, concentrated management focus and autonomy to pursue the possibilities of expansion and growth, integration of business operations, greater financial strength and to maximise overall shareholders' value;

   ii. the consolidation of business will lead to operational synergies, greater productivity and economical operations for future growth of SAFL;

   iii. the Scheme will enable SIFL to focus and enhance its remaining business operations by streamlining its operations;

   iv. the consolidation of SIFL Leasing Business and SEFL Leasing Business; and SIFL Equipment Finance Business and SEFL Equipment Finance Business in a single entity will unlock value for the shareholders of SIFL;

   v. upon effectiveness of the Scheme, the shareholders of SIFL shall be allotted shares of SAFL. This would provide the existing shareholders of SIFL with the option of continuing to have a stake in both, SIFL (i.e. infrastructure finance business) & SAFL (i.e. asset finance business);

   vi. listing of shares of SAFL;

   vii. the Scheme will help SAFL in sharpening its competitiveness and development of long term internal and core competencies through cost savings and benefit of economies of scale unlocked to SAFL.

2. The respective Board of Directors (*defined in Part I below*) of SIFL, SEFL and SAFL after detailed deliberation and consideration, have propounded this Scheme and have proposed Demerger (*defined in Part I below*) and Amalgamation (*defined in Part I below*) as integral parts of the

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Scheme.

3. The Demerger 1 (*defined in Part I below*), Amalgamation (*defined in Part I below*) and Demerger 2 (*defined in Part I below*) pursuant to this Scheme shall take effect in the sequence as provided hereinafter.

D. PARTS OF THE SCHEME

This Scheme is divided into the following parts:

(i) **Part I** deals with the definitions of terms used in this Scheme and interpretations;

(ii) **Part II** deals with share capital of SIFL, SEFL and SAFL;

(iii) **Part III** deals with the demerger and vesting of Demerged Undertaking 1 (*defined in Part I below*) of SEFL into SAFL;

(iv) **Part IV** deals with amalgamation of residual SEFL (after giving effect to Part III of the Scheme) into and with SIFL;

(v) **Part V** deals with the demerger and vesting of the Demerged Undertaking 2 (*defined in Part I below*) of SIFL (after giving effect to Part IV of the Scheme) into SAFL; and

(vi) **Part VI** deals with other general terms and conditions as applicable to the Scheme.

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Part I – DEFINITIONS AND INTERPRETATIONS

1 **DEFINITIONS AND INTERPRETATION**

1.1 In the Scheme, unless repugnant to the meaning or context thereof, the following terms and expressions shall have the meanings given against them:

"1956 Act" means the Companies Act, 1956 and the rules and regulations made thereunder as may be applicable;

"2013 Act" means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;

"Amalgamating Company" means Srei Equipment Finance Limited, remaining after Demerger 1 comprising the Amalgamating Undertaking;

"Amalgamated Company" means Srei Infrastructure Finance Limited, a listed public company limited by shares, incorporated on March 29, 1985 under the provisions of 1956 Act, and having its registered office at Vishwakarma, 86C, Topsia Road, Kolkata – 700046;

"Amalgamating Undertaking" shall mean and include all the business, properties and investments and liabilities of whatsoever nature and kind and wherever situated, of Amalgamating Company *(post Demerger of SEFL Leasing Business, in terms of Part III of the Scheme)*, on a going concern basis, together with all its assets, liabilities and employees and which, without being limited to, shall include the following:

(a) all the movable and immovable properties including plant and machinery, equipment, furniture, fixtures, vehicles, stocks and inventory, packing material, leasehold assets and other properties, whether real or personal, corporeal or incorporeal, in possession or otherwise, present actual or contingent, tangible or intangible of whatsoever nature, assets including cash in hand, amounts lying in the banks to the credit of Amalgamating Company, investments, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, memorandum of understandings, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill and other intangible items (whether or not recorded in the books of Amalgamating Company), industrial and other licenses, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, designs, logo, pre-qualification rights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, derivative financial instruments, amount accrued on forward exchange contracts and other financial assets, deposits, advances, recoverable and receivables, whether from Appropriate Authority *(defined hereinafter)* or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits,

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privileges, liberties, easements, advantages, benefits, exemptions, licenses and approvals of whatsoever nature (including but not limited to benefits of tax exemptions/incentives, rebate entitlements, all tax holiday, tax relief including those available under the Income Tax Act such as credit for advance tax, taxes deducted at source and taxes collected at source including certificate received and amount appearing in Form 26AS in the name of SEFL in respect of its Equipment Finance Business, Minimum Alternate Tax credit, credit for Goods and Service Tax, credit for Service Tax, CENVAT credit, input tax credit, etc.) and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by Amalgamating Company;

(b) all debts, loans, liabilities, guarantees, commitments, duties and obligations including contingent liabilities of Amalgamating Company;

(c) all statutory reserves of Amalgamating Company;

(d) all employees of Amalgamating Company employed/engaged as on the Effective Date;

(e) all contracts, agreements, leases, memoranda of understanding, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which the Amalgamating Company is a party;

(f) all permits, licenses, consents, approvals, authorizations, quotas, rights, powers, permissions, arrangements, assignments, sanctions, entitlements, allotments, exemptions, incentives, tax benefits, deferrals, subsidies, concessions, grants, claims, liberties, special status, benefits and privileges enjoyed or conferred upon or held or availed of by the Amalgamating Company;

(g) all legal (whether civil or criminal), taxation or other proceedings or investigations of whatsoever nature (including those before any Governmental Authority) initiated by or against Amalgamating Company or proceedings or investigations to which Amalgamating Company is party to, that pertain to Amalgamating Undertaking, whether pending/ongoing as on the Appointed Date or which may be instituted any time in the future;

(h) all books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to Amalgamating Company;

(i) without prejudice to the generality of the above, the Amalgamating Undertaking shall also include Non-Convertible Debentures;

"Amalgamation" means the amalgamation of the Amalgamating Company with the Amalgamated Company in accordance with Section 2(1B) of the Income Tax Act, 1961, in terms of Part IV of the Scheme;

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"Applicable Laws" shall mean any statute, notification, bye-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, 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;

"Appointed Date" means closing business hours of March 31, 2017, or such other date as the NCLT may decide/ approve, being the date with effect from which Part III, IV and V of the Scheme shall take place and/or be deemed to have taken place, in the same sequential order as stated herein;

"Appropriate Authority" means any governmental body (central, state or local Government), legislative body, statutory body, departmental or public body or regulatory or administrative authority, judicial or arbitral body or other organization operating under the force of law including the NCLT, the Stock Exchanges, the Securities and Exchange Board of India ("**SEBI**"), income tax authorities, RBI and other applicable authorities to the extent that the rules, regulations, standards, requirements, procedures or orders of such authority, body, or other organization have the force of law as may be relevant in the context;

"Board of Directors" or **"Board"** in relation to SIFL, SEFL and SAFL as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorised for the purposes of matters pertaining to the Scheme and/or any other matter relating thereto;

"**CIN**" means Corporate Identity Number issued by the Registrar of Companies;

"Demerged Company 1" means Srei Equipment Finance Limited;, a public company limited by shares, incorporated on June 13, 2006 under the provisions of the 1956 Act, and having its registered office at Vishwakarma, 86C, Topsia Road, Kolkata - 700046;

"Demerged Company 2" means SIFL post Amalgamation of SEFL into and with it;

"Demerger" collectively means Demerger 1 and Demerger 2;

"Demerger 1" means transfer and vesting of the Demerged Undertaking 1 of Demerged Company 1 to the Resulting Company in terms of Section 2(19AA) of the Income Tax Act, as provided in Part III of the Scheme;

"Demerger 2" means transfer and vesting of the Demerged Undertaking 2 of Demerged Company 2 to the Resulting Company in terms of Section 2(19AA) of the Income Tax Act, as provided in Part V of the Scheme;

"Demerged Undertaking 1" means the SEFL Leasing Business, comprising, *inter -alia*, of all the properties, assets, liabilities, permits, licences, registrations, approvals, contracts and employees, which are relatable to the SEFL Leasing Business, on a going concern basis, representing an undertaking in compliance with Explanation 1 to Sec. 2(19AA) of the Income Tax Act, including the following:

(a) all the assets and movable properties, wherever situated, whether tangible or intangible, absolute, accrued, fixed or otherwise, including property, intangible assets, loans, securities, post-dated cheques, ECS mandates, direct debit mandates,

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collection / escrow mechanism or other such payment mechanism, accounts and notes receivable, plant and machinery, vehicles, offices, investments, interest, capital, work-in-progress, furniture, fixtures, office equipment, appliances, computers (software as well as hardware), accessories, licenses, approvals, registrations, right to use all branches along with all the assets used therein, incentives (if any), rights as licensee or lessee, municipal permissions, regulatory permissions, consents, or powers of every kind, nature and description whatsoever, in each case in connection with or relatable to the SEFL Leasing Business and all other permissions, rights (including rights under any contracts, memoranda of understanding, etc.), goodwill and other intangible items (whether or not recorded in the books of Demerged Company 1), entitlements, copyrights, patents, trademarks, trade names, domain names and other industrial designs, trade secrets, or intellectual property rights of any nature and all other interest exclusively relating to the services being dealt with by the SEFL Leasing Business, and all deposits, advances and/or moneys paid/ received to/ by the SEFL Leasing Business, all statutory licenses and / or permissions to carry on the operations of the SEFL Leasing Business and any financial assets, benefit of any bank guarantees, performance guarantees and letter of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, receivables and liabilities related thereto, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, in each case in relation to and for the benefit of the SEFL Leasing Business, deferred tax benefits, privileges, exemptions, and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income Tax Act such as credit for advance tax, taxes deducted at source and taxes collected at source including certificate received and amount appearing in Form 26AS in the name of SEFL in respect of its Leasing Business,, minimum alternate tax credit, all tax holidays and exemptions, benefits under the value added tax, benefits of any unutilised CENVAT / service tax credits / GST Input Credit, etc.) all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections, email connection, other communication facilities connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the SEFL Leasing Business;

(b) immovable property, both freehold and leasehold, if any, together with all that pieces or parcels of freehold and leasehold lands, hereditaments and premises, situated, lying and being there, together with all the buildings and structures standing thereon relating to the SEFL Leasing Business;

(c) all rights and obligations of SEFL Leasing Business under the customer contracts, loan agreements, the receivables and non-performing assets, along with the unamortized subventions received, and unamortized cost of acquisition relating to the receivables and non-performing assets, under the customer contracts and the rights and interest of the SEFL Leasing Business to the security and / or collateral provided in relation to the customer contracts. It is clarified that for the purpose of determining the tenure of customer contracts / receivables, the original date of the contract will be the relevant date for the purposes of all relevant requirements;

(d) all the rights and obligations under the contracts / agreements including but not limited to service provider contracts, preferred financing contracts, connector agreements, revenue sharing agreements, leave and license agreements, direct

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selling agent agreements, non-disclosure agreements, memorandum of understandings, expression of interest letters, vendor agreements, master service agreements, mandate agreements, agreements executed with legal and technical vendors / valuers, framework agreements, collaboration agreements, lease agreements, master license agreements, annual maintenance contracts, agreements, license usage agreements, digital marketing agreements, project marketing agreements, total cost of service agreements, software licensing agreements, introduction agreements, mutual confidential disclosure agreements, sourcing agreements, master lease agreements, escrow agreements, trust retention account agreements, operating lease agreements / contracts, agreement to provide the facility attendants, collection agency agreements, stock yard contracts, online auction agreements, relationship referral agreements, repossession agreements, all the rights and obligations with respect to credit enhancement obligations together with corresponding collateral and interest and surplus received or receivable to meet credit enhancement obligations and all the rights and obligations with respect to collection and payout obligations, in connection with or relatable to the SEFL Leasing Business;

(e) all deposits and balances with government, semi-government, local and other authorities and bodies, customers and other persons, all entitlements to tax and other credits, set offs, carry forward balances including, in particular, entitlement to credit pertaining to taxes paid under Section 115JB of the Income tax Act, in connection with or relatable to the SEFL Leasing Business. Investments pertaining to the SEFL Leasing Business, securitised assets, earnest moneys and / or security deposits paid or received to/by SEFL, directly or indirectly in connection with or relating to the SEFL Leasing Business and where the amount of any entitlement, credit set off or carry forward balance relating directly or indirectly to the SEFL Leasing Business cannot be separately identified, the same shall be deemed to be the proportion of such entitlement, credit, set off or carry forward balance as the proportion of the book value of the assets of the SEFL Leasing Business to the total assets of SEFL at the close of the day preceding the Appointed Date;

(f) all legal (whether civil or criminal), taxation or other proceedings or investigations of whatsoever nature (including those before any Governmental Authority) initiated by or against Demerged Company 1 or proceedings or investigations to which Demerged Company 1 is party to, that pertain to Demerged Undertaking 1, whether pending/ongoing as on the Appointed Date or which may be instituted any time in the future;

(g) all necessary records, files, papers, technical and process information, all product and service pricing, costing, commercial and business related information, computer program, drawings and designs, procedure and other manuals, training materials, prospect lists, data, catalogues, quotations, sales and advertising materials, financing and serving related forms, lists and all details of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form in connection with or relating to the SEFL Leasing Business;

(h) extension of insurance covers and / or benefits under the existing insurance policies providing insurance cover pertaining to the SEFL Leasing Business;

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(i) all permanent and / or temporary employees, workmen, staff, contract staff of SEFL Leasing Business engaged in directly or exclusively for the SEFL Leasing Business and those permanent and / or temporary employees that are determined by the board of directors, to be engaged in or relatable to the SEFL Leasing Business;

(j) without prejudice to the generality of the above, the Demerged Undertaking 1 shall also include all Demerged Undertaking Liabilities;

"Demerged Undertaking 2" means the SIFL Leasing Business; the equity shares and Redeemable Cumulative Optionally Convertible Preference Shares of QOGIL, through which SIFL conducts the SIFL Rental Business; and the SIFL Equipment Finance Business (which, post amalgamation in terms of Part IV of the Scheme, shall also include the SEFL Equipment Finance Business) (collectively the **"SIFL Demerged Business"**), on a going concern basis, representing an undertaking in compliance with Explanation 1 to Sec. 2(19AA) of the Income Tax Act comprising, *inter -alia*, all the properties, assets, liabilities, permits, licences, registrations, approvals, contracts and employees which are relatable to the SIFL Demerged Business, which shall include:

(a) all the assets and movable properties wherever situated whether tangible or intangible, absolute, accrued, fixed or otherwise including property, goodwill and intangible assets (whether or not recorded in the books of Demerged Company 2), loans, securities, post-dated cheques, ECS mandate, direct debit mandate, collection / escrow mechanism or other such payment mechanism, accounts and notes receivable, plant and machinery, vehicles, offices, investments, interest, capital, work-in-progress, furniture, fixtures, office equipment, appliances, computers (software as well as hardware), accessories, licenses, approvals, registrations, right to use all branches along with all the assets used therein, incentives (if any), rights as licensee or lessee, municipal permissions, regulatory permissions, consents, or powers of every kind, nature and description whatsoever, in each case in connection with operating or relatable to the SIFL Demerged Business, and all other permissions, rights (including rights under any contracts, memoranda of understanding, etc.), entitlements, copyrights, patents, trademarks, trade names, domain names and other industrial designs, trade secrets, or intellectual property rights of any nature and all other interest exclusively relating to the services being dealt with by the SIFL Demerged Business, and all deposits, advances and or moneys paid or received to/by the SIFL Demerged Business, all statutory licenses and / or permissions to carry on the operations of the SIFL Demerged Business, and any financial assets, benefit of any bank guarantees, performance guarantees and letter of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, receivables and liabilities related thereto, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, in each case in relation to and for the benefit of the SIFL Demerged Business, deferred tax benefits, privileges, exemptions, and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income Tax Act such as credit for advance tax, taxes deducted at source and taxes collected at source including certificate received and amount appearing in Form 26AS in the name of SIFL in respect of its Leasing Business, Equipment Finance Business and in name of SEFL in respect of its Equipment Finance Business, all tax holidays and exemptions, minimum alternate tax credit, benefits under the value added tax, benefits of any unutilised CENVAT / service tax credits / GST Input Credit, etc.) all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes,

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facsimile connections, email connection, other communication facilities connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the SIFL Demerged Business;

(b) immovable property, both freehold and leasehold, if any together with all that pieces or parcels of freehold and leasehold lands, hereditaments and premises, situated, lying and being thereat together with all the buildings and structures standing thereon relating to the SIFL Demerged Business;

(c) all rights and obligations of Demerged Company 2 under the customer contracts, loan agreements, the receivables and non-performing assets, along with the unamortized subventions received, and unamortized cost of acquisition relating to the receivables and non-performing assets, under the customer contracts and the rights and interest of Demerged Company 2 pertaining to the SIFL Demerged Business to the security and / or collateral provided in relation to the customer contracts. It is clarified that for the purpose of determining the tenure of customer contracts / receivables, the original date of the contract will be the relevant date for the purposes of all relevant requirements;

(d) all the rights and obligations under the contracts / agreements including but not limited to service provider contracts, preferred financing contracts, connector agreements, revenue sharing agreements, leave and license agreements, direct selling agent agreements, non-disclosure agreements, memorandum of understandings, expression of interest letters, vendor agreements, master service agreements, mandate agreements, agreements executed with legal and technical vendors / valuers, framework agreements, collaboration agreements, lease agreements, master license agreements, annual maintenance contracts, agreements, license usage agreements, digital marketing agreements, project marketing agreements, total cost of service agreements, software licensing agreements, introduction agreements, mutual confidential disclosure agreements, sourcing agreements, master lease agreements, escrow agreements, trust retention account agreements, operating lease agreements / contracts, agreement to provide the facility attendants, collection agency agreements, stock yard contracts, online auction agreements, relationship referral agreements, repossession agreements all the rights and obligations with respect to credit enhancement obligations together with corresponding collateral and interest and surplus received or receivable to meet credit enhancement obligations and all the rights and obligations with respect to collection and payout obligations, in with or relatable the SIFL Demerged Business;

(e) all deposits and balances with government, semi-government, local and other authorities and bodies, customers and other persons, all entitlements to tax and other credits, set offs, carry forward balances including, in particular, entitlement to credit pertaining to taxes paid under section 115JB of the Income Tax Act, in connection with or relatable to the SIFL Demerged Business. Investments pertaining to the Demerged Undertaking 2 particularly including investment in equity shares and redeemable cumulative optionally convertible preference shares of QOGIL, securitised assets, earnest moneys and / or security deposits paid or received to/by SIFL directly or indirectly in connection with or relating to the SIFL Demerged Business and where the amount of any entitlement, credit, set off or carry forward balance relating directly or indirectly to the SIFL Demerged Business cannot be separately identified, the same

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shall be deemed to be the proportion of such entitlement, credit, set off or carry forward balance as the proportion of the book value of the assets of SIFL Demerged Business to the total assets of SIFL at the close of the day preceding the Appointed Date;

(f) all statutory reserves pertaining to Demerged Undertaking 2;

(g) all legal (whether civil or criminal), taxation or other proceedings or investigations of whatsoever nature (including those before any Governmental Authority) initiated by or against Demerged Company 2 or proceedings or investigations to which Demerged Company 2 is party to, that pertain to Demerged Undertaking 2, whether pending/ongoing as on the Appointed Date or which may be instituted any time in the future;

(h) all necessary records, files, papers, technical and process information, all product and service pricing, costing, commercial and business related information, computer program, drawings and designs, procedure and other manuals, training materials, prospect lists, data, catalogues, quotations, sales and advertising materials, financing and serving related forms, lists and all details of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form in connection with or relating to the SIFL Demerged Business;

(i) extension of insurance covers and / or benefits under the existing insurance policies providing insurance cover pertaining to the SIFL Demerged Business;

(j) all permanent and / or temporary employees, workmen, staff, contract staff of Demerged Company 2 engaged in directly or exclusively for the SIFL Demerged Business and those permanent and / or temporary employees that are determined by the board of directors of Demerged Company 2 to be engaged in or relatable to the SIFL Demerged Business;

(k) without prejudice to the generality of the above, the Demerged Undertaking 2 shall also include all Demerged Undertaking Liabilities and the Non-Convertible Debentures;

"Demerged Undertaking Liabilities" means all present and future Liabilities relatable to the Demerged Undertaking 1 or Demerged Undertaking 2 as the case may be and includes Liabilities which directly or indirectly are attributable to, or utilised for, or relatable to, the concerned Demerged Undertaking 1 or Demerged Undertaking 2, determined on the basis as if all financial assets and other assets of the Demerged Undertaking 1 and Demerged Undertaking 2 were directly or indirectly funded out of, or funded by utilising funds borrowed by Demerged Company 1 or Demerged Company 2 respectively;

"Demerged Undertakings" collectively means Demerged Undertaking 1 and Demerged Undertaking 2;

"Effective Date" shall mean the date on which the last of all the conditions and matters referred to in Clause 51 have been fulfilled, obtained or waived. References in this Scheme to date of 'upon this Scheme becoming effective' or 'upon this Scheme coming into effect' shall mean the Effective Date;

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"**Encumbrance**" means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term "**Encumbered**" shall be construed accordingly;

"**Goodwill**" means aggregation of Goodwill having underlying Intangible Assets, if any and /or Residual Goodwill, if any.

"**Goodwill having underlying Intangible Assets**" means such portion of goodwill, recorded in terms of Part III and Part V of the Scheme upon Demerger, which either represents or is identified with or is allocable to assets representing intangible assets of the Demerged Undertaking 1 and Demerged Undertaking 2 but not recorded as yet in the books of Demerged Company 1 and Demerged Company 2 respectively.

"**Income Tax Act**" means the Income Tax Act, 1961, including any amendments made therein or statutory modifications or re-enactments thereof for the time being in force;

"**Legal Proceedings**" means proceedings of whatsoever nature, civil or criminal, including any disputes, suits, actions, appeals, arbitrations, execution proceedings, revisions, writ petitions, suits and taxation proceedings, pending before any statutory or quasi-judicial authority or tribunal;

"**Liabilities**" means all present and future liabilities including contingent liabilities, secured and unsecured debts (whether in Indian rupees or foreign currency), duties and obligations or obligations of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations along with any Encumbrance, including any bank guarantees thereon;

"**Listing Regulations**" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as currently in force and amended from time to time;

"**NCLT**" means the bench of the National Company Law Tribunal at Kolkata, West Bengal having jurisdiction over SIFL, SEFL and SAFL and shall include, if applicable, such other forum or authority as may be vested with the powers of a National Company Law Tribunal under the 2013 Act;

"**NCLT Sanction Order**" means the order of the NCLT sanctioning this Scheme under Sections 230 to 232 read with Section 52 and Section 66 of the 2013 Act and other applicable provisions of the 2013 Act, including any alteration, modification, amendment made thereto and supplementary orders/directions in relation thereto;

"**New Non-Convertible Debentures**" means the non-convertible debentures to be issued by the Resulting Company to the holders of Non-Convertible Debentures of the Demerged Company 1;

"**Non-Convertible Debentures**" means all the non-convertible debentures issued, either by private placement or public issue, by Demerged Company 1 whether listed or unlisted, whether secured or unsecured;

"**Record Date**" shall mean such date as may be fixed by the Board of Directors for the purpose of determining (a) the members of the Demerged Company 1 and Demerged Company 2, as

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the case may be, to whom equity shares of the Resulting Company will be allotted pursuant to this Scheme and (b) the Non-Convertible Debenture holders of Demerged Company 1 to whom New Non-Convertible Debentures will be allotted by Resulting Company upon transfer of the Non-Convertible Debentures pursuant to this Scheme;

"Registrar of Companies" means the Registrar of Companies, at Kolkata;

"Remaining Business of Demerged Company 1" means all the assets, liabilities, business and operations of SEFL other than the Demerged Undertaking 1 of SEFL;

"Remaining Business of Demerged Company 2" means all the assets, liabilities, business and operations of SIFL other than the Demerged Undertaking 2 of SIFL;

"**Residual Goodwill**" means the total Goodwill as recorded by Resulting Company in terms of Part III and Part V of the Scheme upon Demerger as reduced by the amount of Goodwill having underlying Intangible Assets;

"Resulting Company" means Srei Asset Finance Limited, a private company limited by shares, incorporated on June 30, 2014 under the provisions of the 2013 Act, and having its registered office at Vishwakarma, 86C, Topsia Road, Kolkata - 700046;

"Scheme" or **"this Scheme"** means this Composite Scheme of Arrangement and Amalgamation in its present form submitted to NCLT or any other Appropriate Authority with any modification(s) thereto as the NCLT or any other Appropriate Authority may require, direct or approve;

"SEBI Circular" means the circular number CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by the Securities and Exchange Board of India, as amended from time to time, and all applicable circulars and regulations issued by SEBI in this respect; and

"Stock Exchanges" shall mean the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") where the equity shares and non-convertible debentures of SIFL and non-convertible debentures of SEFL are listed;

"QOGIL" means Quippo Oil and Gas Infrastructure Limited, an unlisted public company limited by shares, incorporated on July 1, 2005 under the provisions of the 1956 Act, and having its registered office at Vishwakarma, 86C, Topsia Road, Kolkata - 700046;

1.2 All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the 1956 Act or the 2013 Act, as applicable, the Income Tax Act, the Depositories Act, 1996, Securities Contracts (Regulation) Act, 1956, Reserve Bank of India Act, 1934 and other Applicable Laws, rules, directions, guidelines, regulations, bye-laws, as the case may be or any statutory modification or re-enactment(s) thereof for the time being in force.

1.3 In this Scheme, unless the context otherwise requires:

(a) words denoting singular shall include plural and vice versa;

(b) headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;

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(c) references to the word "include" or "including" shall be construed without limitation;

(d) a reference to an article, clause, section or paragraph is, unless indicated to the contrary, a reference to an article, clause, section or paragraph of this Scheme;

(e) unless otherwise defined, the reference to the word "days" shall mean calendar days;

(f) references to dates and times shall be construed to be references to Indian dates and times;

(g) reference to a document includes an amendment or supplement to, or replacement or novation of, that document;

(h) 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 councillor employee representatives body (whether or not having separate legal personality);

(i) references to any of the terms taxes, duty, levy, cess in the Scheme shall be construed as reference to all of them whether jointly or severally;

(j) word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them;

(k) any reference to any statute or statutory provision shall include:

  (i) all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and

  (ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

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Part II – SHARE CAPITAL

2 SHARE CAPITAL

2.1 Srei Infrastructure Finance Limited

The capital structure of SIFL as on December 31, 2018 is as under:

A. Authorised Share Capital	Amount (Rupees in Lacs)
1,00,00,00,000 Equity shares of Rs. 10 each	1,00,000
5,00,00,000 Preference shares of Rs. 100 each	50,000
Total	**1,50,000**
B. Issued and paid-up Share Capital	**Amount (Rupees in Lacs)**
Issued and subscribed	
50,35,59,160 Equity shares of Rs. 10 each	50,356
Fully paid up	
50,30,86,333 Equity shares of Rs. 10 each	50,309
Forfeited Shares (4,72,827 Equity Shares)	15
Total	**50,324**

The equity shares of SIFL are listed on the Stock Exchanges. After December 31, 2018 and till approval of Scheme by Board of Directors, there has been no change in authorised, issued, subscribed and paid up share capital of SIFL. As on December 31, 2018, the promoters of SIFL hold 60.80% of equity shareholding in SIFL and the balance 39.20% equity shareholding is held by the public shareholders.

2.2 Srei Equipment Finance Limited

The capital structure of SEFL as on December 31, 2018 is as under:

A. Authorised Share Capital	Amount (Rupees in Lacs)
50,00,00,000 Equity shares of Rs. 10 each	50,000
5,00,00,000 Preference shares of Rs. 100 each	50,000
Total	**1,00,000**
B. Issued and paid-up Share Capital	**Amount (Rupees in Lacs)**
5,96,60,000 Equity shares of Rs. 10 each	5,966
Total	

After December 31, 2018 and till approval of Scheme by Board of Directors, there has been no change in authorised, issued, subscribed and paid up share capital of SEFL. SEFL is a wholly owned subsidiary of SIFL.

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2.3 Srei Asset Finance Limited

The capital structure of SAFL as on December 31, 2018 is as under:

A. Authorised Share Capital	Amount (Rupees in Lacs)
30,00,000 equity shares of Rs.10/- each	300
Total	300
B. Issued and paid-up Share Capital	**Amount (Rupees in Lacs)**
1,00,000 Equity shares of Rs. 10 each	10
Total	10

After December 31, 2018 and till approval of Scheme by Board of Directors, there has been no change in authorised, issued, subscribed and paid up share capital of SAFL. SAFL is a wholly owned subsidiary of SIFL.

Part III – DEMERGER OF DEMERGED UNDERTAKING 1 FROM DEMERGED COMPANY 1 to RESULTING COMPANY

3 **TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING 1 OF DEMERGED COMPANY 1**

3.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the Demerged Undertaking 1 shall, pursuant to the provisions of Sections 230 to 232, and other relevant provisions of the 2013 Act, and in accordance with Section 2(19AA) of the Income Tax Act, without any further act, instrument or deed, be deemed to be demerged from Demerged Company 1 and transferred to and vest in, or be deemed to be transferred to and vested in the Resulting Company, as a going concern, so as to become as and from the Appointed Date, the undertaking of the Resulting Company by virtue of and in the manner provided in this Part III.

3.2 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date, in accordance with the provisions of Applicable Laws and the 2013 Act, all the consents, permissions, licenses, certificates, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of Demerged Company 1, and the rights and benefits under the same shall, insofar as they relate to the Demerged Undertaking 1 and all quality certifications and approvals, trademarks, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual property and all other interests relating to the goods, services or any other assets being directly and exclusively dealt with by the Demerged Undertaking 1, be transferred to and vested in the Resulting Company. In respect of all the movable assets of Demerged Company 1 in so far as they pertain to the Demerged Undertaking 1 and the other assets pertaining to Demerged Undertaking 1 which are otherwise capable of transfer to the Resulting Company shall be deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Resulting Company to the end and intent that the property and benefit therein passes to the Resulting Company with effect from the Appointed Date without requiring any deed or instrument of conveyance for transfer of the same. Such delivery and transfer shall be made on a date mutually agreed upon between the respective Board of Directors of Demerged Company 1 and the Resulting Company. In respect of any intangible moveable assets of Demerged Company 1 pertaining to the Demerged Undertaking 1, other than those mentioned hereinabove, and actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with any Appropriate Authority and customers, the same shall on and from the Appointed Date stand transferred to and vested in the Resulting Company. The Resulting Company may, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the NCLT having sanctioned this Scheme, the relevant debt, loan, advance or other asset, 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 Demerged Company 1 to recover or realize the same stands transferred to the Resulting Company and that appropriate entries shall be passed in their respective books to record the aforesaid changes.

3.3 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all the various incentives, service tax benefits, good and service tax benefits, all tax holiday, deductions under the Income Tax Act including but not limited to deduction under sections 36(1)(viii), 36(1)(viia) of the Income Tax Act, subsidies (including applications for subsidies), grants, special status and other benefits or privileges enjoyed, granted by any governmental

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body, local authority or by any other person, or availed of by Demerged Company 1 are concerned, the same shall, without any further act or deed, in so far as they relate to the Demerged Undertaking 1, vest with and be available to the Resulting Company on the same terms and conditions. All intangible assets including various business or commercial rights, etc., if any, belonging to but not recorded in books of Demerged Company 1 pertaining to Demerged Undertaking 1, shall be transferred to and vested with Resulting Company and shall be recorded at their respective fair values. The consideration agreed under the Scheme shall include payment towards these intangible assets and goodwill at their respective fair values. Such intangible assets and goodwill, if any, shall, for all purposes, be regarded as intangible assets in terms of Explanation 3(b) to section 32(1) of Income Tax Act and shall be eligible for depreciation thereunder at the prescribed rates.

3.4 All the Demerged Undertaking Liabilities of Demerged Undertaking 1 as on the Appointed Date to the extent they are outstanding as on the Effective Date shall also stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company on a going concern basis, without any further act or deed pursuant to Section 232(3) of the 2013 Act, so as to become the Liabilities of the Resulting Company on the same terms and conditions as was applicable to Demerged Company 1.

3.5 Where any of the Liabilities and obligations of Demerged Company 1 as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by Demerged Company 1 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.

3.6 The Demerger 1 and the transfer and vesting of the assets shall be subject to the Encumbrances, if any affecting the same as hereinafter provided:

(a) The Encumbrances or those, if any, created after the Appointed Date, in terms of this Scheme, over the assets comprised in Demerged Undertaking 1, or any part thereof transferred to the Resulting Company, shall after the Effective Date continue to relate and attach to such assets or any part thereof to which they are related or attached to, prior to the Effective Date and such Encumbrances shall not relate to or attach to any of the other assets of Resulting Company.

(b) In so far as any Encumbrances over the assets comprised in the Demerged Undertaking 1, are security for liabilities of the Remaining Business of Demerged Company 1, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets of the Demerged Undertaking 1, shall stand released and discharged from the obligations and security relating to the same and the Encumbrances shall only extend to and continue to operate against the assets retained with Demerged Company 1 and shall cease to operate against any of the assets transferred to the Resulting Company. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

(c) In so far as any Encumbrances over the assets comprised in the Remaining Business of Demerged Company 1 are security for the Demerged Undertaking Liabilities of Demerged Undertaking 1, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same. The absence of any formal amendment which may be required by a lender or third party

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shall not affect the operation of the above.

(d) Without prejudice to the provisions of the foregoing clauses, upon the Scheme becoming effective, Demerged Company 1 and the Resulting Company shall execute all instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modifications of charge with the Registrar of Companies, to give formal effect to the above provisions, if required.

(e) Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of Clause 3 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

3.7 It is hereby clarified that the rest of the assets and Liabilities (other than those forming part of the Demerged Undertaking 1 or otherwise specified in this Scheme) of Demerged Company 1 shall continue in Demerged Company 1.

3.8 All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Demerged Company 1 pertaining to the Demerged Undertaking 1 after the Effective Date 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. Similarly, the banker of the Resulting Company shall honour all cheques issued by Demerged Company 1 pertaining to the Demerged Undertaking 1 for payment after the Effective Date. If required, Demerged Company 1 shall allow maintaining of bank accounts in its name by the Resulting Company for such time as may be determined to be necessary by Demerged Company 1 and the Resulting Company for presentation and deposition of cheques and pay orders that have been issued in the name of Demerged Company 1 in connection with the business of Demerged Undertaking 1.

3.9 It is clarified that if any assets (claims, rights, title, interest in, or authorities relating to such assets) or liabilities or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever in relation to Demerged Undertaking 1 which Demerged Company 1 owns or to which Demerged Company 1 is a party and which cannot be transferred to the Resulting Company for any reason whatsoever, Demerged Company 1 shall hold such assets or contract, deeds, bonds, liabilities, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the Resulting Company to which the Demerged Undertaking 1 is being transferred in terms of this Scheme, in so far as it is permissible so to do, till such time as the transfer is effected.

3.10 All necessary records, files, papers, technical and process information, all product and service pricing, costing, commercial and business related information, computer program, drawings and designs, procedure and other manuals, training materials, prospect lists, data, catalogues, quotations, sales and advertising materials, financing and serving related forms, lists and all details of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form in connection with or relating to the SEFL Leasing Business shall be transferred to the Resulting Company;

4 LEGAL PROCEEDINGS

4.1 With effect from the Effective Date, all Legal Proceedings by or against Demerged Company 1 relating to the Demerged Undertaking 1 under any statute, whether pending on the Appointed Date or which may be instituted anytime thereafter, shall be continued and enforced by or against the Resulting Company after the Effective Date, to the extent legally permissible. To the extent the Legal Proceedings cannot be taken over by the Resulting Company, the Legal Proceedings shall be pursued by or against the Demerged Company 1 as per the instructions of and entirely at the costs and expenses of the Resulting Company. In the event that such liability is incurred or such claim or demand is made upon Demerged Company 1 (or any successor thereof) pertaining to the Demerged Undertaking 1, then the Resulting Company shall reimburse and indemnify Demerged Company 1 (or any successor thereof) for any payments made in relation to the same.

4.2 Upon the coming into effect of this Scheme, any Legal Proceedings by or against Demerged Company 1 under any statute, whether or not pending on the Appointed Date, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of Demerged Company 1 (including those relating to any property, right, power, liability, obligation or duties of Demerged Company 1 in respect of the Remaining Business of Demerged Company 1) shall be continued and enforced by or against Demerged Company 1. The Resulting Company shall in no event be responsible or liable for or in relation to any such Legal Proceeding by or against Demerged Company 1.

4.3 The Resulting Company undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated pertaining to the Demerged Undertaking 1, transferred to its name and to have the same continued, prosecuted and enforced by or against the Resulting Company.

5 CONTRACTS, LICENSES, APPROVALS AND PERMITS

5.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, all licenses, approvals or permits, whether governmental or otherwise, contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking 1 to which Demerged Company 1 is a party or to the benefit of which Demerged Company 1 may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour of, as the case may be, vest in the Resulting Company, and may be enforced as fully and effectually as if, instead of Demerged Company 1, the Resulting Company had been a party or beneficiary or obligee thereto.

5.2 Without prejudice to the other provisions of this Scheme and notwithstanding that the vesting of the Demerged Undertaking 1 with the Resulting Company occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement, to which Demerged Company 1 is a party, or any writings as may be necessary, to be executed merely in order to give formal effect to the above provisions. Demerged Company 1 (or any successor thereof) shall, if necessary, also be a party to the above. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Demerged Company 1 and to carry out or perform all such formalities or compliances referred to above on the part of Demerged

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Company 1 to be carried out or performed.

5.3 Any statutory and other licenses, registrations, permissions, approvals or consents to carry on the operations whether issued by statutory and other authorities of Demerged Company 1 pertaining to Demerged Undertaking 1 shall stand vested in or transferred to the Resulting Company without any further act or deed and shall be appropriately mutated by the statutory and other authorities concerned in favour of the Resulting Company upon the Scheme becoming effective. The benefit of all such statutory and regulatory permissions, and consents, shall vest in and become available to the Resulting Company pursuant to this Scheme. Since each of the statutory and other licenses, registrations, permissions, approvals or consents shall stand transferred by the order of the NCLT to the Resulting Company, the Resulting Company shall file the relevant intimations for the record of the statutory and other authorities who shall take them on file pursuant to the vesting orders of the NCLT.

5.4 It is hereby clarified that if any licenses, approvals, permits, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking 1 to which Demerged Company 1 is a party to, cannot be transferred to the Resulting Company for any reason whatsoever, Demerged Company 1 shall hold such contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, in so far as it is permissible so to do till such time as the transfer is effected.

5.5 Any and all transactions between Demerged Company 1 and the Resulting Company in the period between the Appointed Date and Effective Date which have the effect of being consummated only upon the Scheme coming into effect, shall accrue with effect from the Effective Date and any and all compliances with respect to such transactions shall be applicable from the Effective Date.

6 **TREATMENT OF TAXES**

6.1 All taxes (including income tax, sales tax, service tax, goods and service tax, etc.) paid or payable by Demerged Company 1, in respect of the operations and / or the profits of the Demerged Undertaking 1 before the Appointed Date, shall be on account of Demerged Company 1, and insofar as it relates to the tax payment (including, without limitation, sales tax, income tax, service tax, goods and service tax etc.), whether by way of deduction or collection at source, advance tax or otherwise howsoever, by Demerged Company 1 in respect of the profits or activities or operation of the Demerged Undertaking 1 after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company, and shall, in all proceedings, be dealt with accordingly.

6.2 Without prejudice to the generality of the foregoing, on and from the Appointed Date, if any certificate for tax deducted or collected at source or any other tax credit certificate relating to the Demerged Undertaking 1 is received in the name of Demerged Company 1, or tax credit relating to the Demerged Undertaking 1 is appearing in Form 26AS of the Demerged Company 1, it shall be deemed to have been received by and in the name of the Resulting Company which alone shall be entitled to claim credit for such tax deducted or paid.

6.3 Upon the coming into effect of this Scheme, Demerged Company 1 and the Resulting Company are expressly permitted to revise their respective tax returns electronically and if the electronic filing is not enabled in the official website of the income tax department, it can be filed manually before the income tax authorities holding jurisdiction over the Demerged

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Company 1 and the Resulting Company even if the time limit prescribed for filing revised return of income under section 139(5) of the Income Tax Act, 1961 has lapsed and/or assessment proceedings has been completed and no further approval for filing revised return shall be required from CBDT or any other Appropriate Authority and also revise related withholding tax certificates, including withholding tax certificates relating to transactions between Demerged Company 1 and the Resulting Company, to the extent required and to claim refunds, advance tax and withholding tax credits, and benefit of credit for minimum alternate tax, or tax related deductions, or any other tax related compliances or filings of forms.

6.4 The service tax, goods and service tax paid by Demerged Company 1 under the Finance Act, 1994 in respect of services provided by the Demerged Undertaking 1 for the period commencing from the Appointed Date shall be deemed to be the service tax, goods and service tax paid by the Resulting Company, and credit for such service tax, goods and service tax shall be allowed to the Resulting Company notwithstanding that challans for service tax, goods and service tax payments are in the name of Demerged Company 1 and not in the name of the Resulting Company.

7 **EMPLOYEES**

7.1 All the employees of Demerged Company 1 who are exclusively part of the Demerged Undertaking 1 shall stand transferred to the Resulting Company on terms and conditions, which as a result, shall not be less favourable than the terms and conditions of employment offered by Demerged Company 1 (including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and / or any other retirement benefits) without any interruption in service as a result of transfer of the Demerged Undertaking 1 to the Resulting Company and without any further act, deed or instrument on the part of Demerged Company 1 or the Resulting Company.

7.2 The Resulting Company agrees that the services of all such employees (as mentioned in Clause 7.1 above) with Demerged Company 1 prior to the transfer, as aforesaid, shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity fund plans, provident fund plans, superannuation fund plans and any other retirement benefits and accordingly, shall be reckoned therefore from the date of their respective appointment in Demerged Company 1 who were part of the Demerged Undertaking 1.

7.3 The existing provident fund, superannuation and gratuity fund, incentives, if any, of which the aforesaid employees of Demerged Company 1, who are part of the Demerged Undertaking 1, are members or beneficiaries, along with all accumulated contributions therein till the Effective Date, shall, with the approval of the concerned authorities, be transferred to and continued without any break, to be administered by the Resulting Company or as may be created by the Resulting Company for the benefit of such employees on the same terms and conditions. All benefits and schemes being provided to the transferred employees will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes. Accordingly, the provident fund, superannuation fund and gratuity fund dues, if any, of the said employees of Demerged Company 1, would be continued to be deposited in the transferred provident fund, superannuation fund and gratuity fund account by the Resulting Company. In case necessary approvals are not received or the respective funds are not created

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by the Effective Date and there is delay, all such amounts shall continue to be administered by Demerged Company 1 as a trustee from the Effective Date till the date of actual transfer and on receiving the approvals, all the accumulated amounts till such date, shall be transferred to the respective funds of the Resulting Company in accordance with the approvals that have been obtained.

8 SAVING OF CONCLUDED TRANSACTIONS

The demerger and vesting of the assets, liabilities and obligations of the Demerged Undertaking 1 as per this Scheme, and the continuance of the Legal Proceedings by or against the Resulting Company under Clause 4 shall not affect any transaction or proceedings already completed by the Demerged Undertaking 1 on or after the Appointed Date but before the Effective Date, to the end and intent that the Resulting Company accepts all acts, deeds and things done and executed by and / or on behalf as acts, deeds and things done and executed by and on behalf of the Resulting Company.

9 CONDUCT OF BUSINESS OF THE DEMERGED UNDERTAKING 1 OF DEMERGED COMPANY 1 UNTIL THE EFFECTIVE DATE

9.1 With effect from the Appointed Date and up to and including the Effective Date, Demerged Company 1 shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Demerged Undertaking 1 for and on account of and in trust for the Resulting Company.

9.2 All profits or income accruing or arising to Demerged Company 1 or losses including tax losses, arising or incurred by Demerged Company 1 in relation to the Demerged Undertaking 1 for the period commencing from the Appointed Date to the Effective Date shall, for all purposes, be treated as profit, income, loss or expenditure, as the case may be, of the Resulting Company.

9.3 All assets acquired by Demerged Company 1 after the Appointed Date and prior to the Effective Date for operation of the Demerged Undertaking 1 or pertaining to the Demerged Undertaking 1 shall be deemed to have been acquired in trust for and on behalf of the Resulting Company, and shall also stand transferred to and vested in the Resulting Company upon the coming into effect of this Scheme.

9.4 Where any of the liabilities and obligations of Demerged Company 1 as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by Demerged Company 1 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company, and all loans raised and used and all liabilities and obligations incurred by Demerged Company 1 for the operations of the Demerged Undertaking 1 after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company, and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Resulting Company and shall become the liabilities and obligations of the Resulting Company, which shall be liable to meet, discharge and satisfy the same.

9.5 Demerged Company 1 hereby confirms that it shall continue, from the date of approval of the Scheme by the Board of Demerged Company 1 and up to the Effective Date, to preserve and carry on the Demerged Undertaking 1 with due diligence and prudence.

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9.6 Subject to the terms of the Scheme, the transfer and vesting of the Demerged Undertaking 1 as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded on or with effect from the Appointed Date as applicable till the Effective Date.

10 **REMAINING BUSINESS OF DEMERGED COMPANY 1**

10.1 The Remaining Business of Demerged Company 1 and all the assets, properties, rights, liabilities and obligations relating thereto shall continue to belong to and be vested in Demerged Company 1 and the Resulting Company shall have no right, claim or obligation in relation to the Remaining Business of Demerged Company.

10.2 All Legal Proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against Demerged Company 1 under any statute, whether relating to the period prior to or after the Appointed Date and whether pending on the Appointed Date or which may be instituted at any time thereafter, relating to the Remaining Business of Demerged Company 1 (including those relating to any property, right, power, liability, obligation or duties of Demerged Company 1 in respect of the Remaining Business of Demerged Company) shall be continued and enforced by or against Demerged Company 1 after the Effective Date.

10.3 With effect from the Appointed Date and up to, including and beyond the Effective Date, Demerged Company 1:

(a) shall be deemed to have been carrying on all the business and activities relating to the Remaining Business of Demerged Company 1 for and on behalf of its own; and

(b) all profits accruing to Demerged Company 1 thereon or losses arising or incurred by it relating to the Remaining Business of Demerged Company 1 shall for all purposes be treated as the profits or losses, as the case may be, of Demerged Company 1.

11 **CONSIDERATION**

11.1 Upon the Scheme becoming effective and in consideration of transfer and vesting of the Demerged Undertaking 1 of Demerged Company 1 into the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot fully paid-up equity shares to all the equity shareholders of Demerged Company 1 whose name appears in the Register of Members and records of the depositories as members of Demerged Company 1 as on the Record Date or to his / her heirs, executors, administrators or the successors-in-title, as the case may be, in the following ratio:

> "10 (Ten) equity share of Rs.10 each fully paid-up of the Resulting Company for every 21 (Twenty One) equity share of Rs.10 each fully paid-up held in Demerged Company 1". ("**Share Entitlement Ratio 1**")

11.2 The Share Entitlement Ratio 1 mentioned above has been arrived at based on the valuation report prepared by Sharp & Tannan, Independent Chartered Accountants, and approved by the audit committee of Demerged Company 1 and the Board of Directors of Demerged Company 1 and Resulting Company. It is clarified that no cash consideration shall be paid by the Resulting Company to the Demerged Company 1 or its shareholders.

11.3 The equity shares to be issued by the Resulting Company pursuant to Clause 11.1 (**"New Equity Shares"**) above shall be issued in dematerialized form by the Resulting Company

11.4 New Equity Shares to be issued and allotted as above shall rank *pari passu* to the existing shares comprised in the share capital of the Resulting Company and shall be subject to the Memorandum and Articles of Association of the Resulting Company.

11.5 New Equity Shares to be issued by the Resulting Company pursuant to this Scheme in respect of any equity shares of Demerged Company 1 which are held in abeyance under the 2013 Act or otherwise shall, pending allotment or settlement of dispute by order of a court or otherwise, also be kept in abeyance by the Resulting Company. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Demerged Company 1, the Board of Directors of Demerged Company 1 (or any successor thereof) shall be empowered to take such actions as may be necessary in order to remove any difficulties arising with the transfer of the share in Demerged Company 1 and in relation to the equity shares issued by the Resulting Company pursuant to the Scheme.

11.6 The Resulting Company shall take necessary steps to increase or alter or re-classify, if necessary, its authorized share capital suitably to enable it to issue and allot the equity shares required to be issued and allotted by it under this Scheme.

11.7 The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be due compliance of Section 62 of the 2013 Act and all applicable provisions of the 2013 Act for the issue and allotment of New Equity Shares by the Resulting Company to the shareholders of Demerged Company 1, as provided in this Scheme.

11.8 The Board of Directors of Resulting Company and Demerged Company 1 shall, if and to the extent required, apply for and obtain any approvals from any Appropriate Authority for the issue and allotment of the New Equity Shares.

11.9 The existing equity shares of the Resulting Company and the New Equity Shares issued by Resulting Company shall be listed and admitted to trading on the Stock Exchanges in compliance with the applicable regulations and the SEBI Circular. Resulting Company shall make all requisite applications and shall otherwise comply with the provisions of the SEBI Circular and Applicable Laws and take all steps to procure the listing of the equity shares issued by it.

11.10 The New Equity Shares issued by Resulting Company shall remain frozen in the depository system till listing/trading permission is given by BSE and NSE. The Resulting Company shall also apply to SEBI through Stock Exchanges for seeking relaxation under Rule 19(2)(b) of Securities Contract (Regulation) Rules, 1957.

11.11 Post the issue of shares by Resulting Company pursuant to the Scheme, there shall be no change in the shareholding pattern or control in Resulting Company between the Record Date and the listing which may affect the status of the approval by the Stock Exchanges.

11.12 In the event that the Companies restructure their share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Entitlement Ratio 1 shall be adjusted accordingly to take into account the effect of any such corporate actions.

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11.13 No fractional shares shall be issued by the Resulting Company. In case any shareholder's shareholding in Demerged Company 1 is such that such shareholder becomes entitled to a fraction of an equity share of Resulting Company, the Resulting Company shall not issue fractional shares. In such cases, any fraction shall be rounded off to the next higher integer.

12 **AUTHORISED SHARE CAPITAL OF RESULTING COMPANY**

12.1 As an integral part of the Scheme, and, upon the coming into effect of this Scheme, the authorised share capital of Resulting Company shall automatically stand increased, without any further act, instrument or deed on the part of Resulting Company, such that upon the effectiveness of the Scheme the authorised share capital of Resulting Company shall be Rs. 150,00,00,000- (Rupees One Hundred Fifty Crores), without any further act or deed. Consequently, Clause V of the Memorandum of Association of Resulting Company shall without any act, instrument or deed be and stand altered, modified and substituted pursuant to Sections 13, 61 and 230 to 232 and other applicable provisions of the 2013 Act, as the case may be, in the manner set out below and be replaced by the following clause:

> "The Authorised Share Capital of the Company is Rs. 150,00,00,000/- (Rupees One Hundred Fifty Cores) divided into 15,00,00,000 Equity Shares of Rs.10 (Rupees Ten) each."

12.2 It is clarified that the approval of the shareholders of Resulting Company to the Scheme shall be deemed to be their consent/approval also to the consequential alteration of the Memorandum of Association of Resulting Company and Resulting Company shall not be required to seek separate consent/approval of its shareholders for such alteration of the Memorandum of Association of Resulting Company as required under Sections 13 and 61 of the 2013 Act.

12.3 Upon the coming into effect of this Scheme, Resulting Company shall file the requisite forms with the Registrar of Companies for alteration of its authorised share capital and shall pay necessary fees as may be required to be paid in accordance with Applicable Laws.

13 **ACCOUNTING TREATMENT**

13.1 Upon Part III of the Scheme becoming effective, SAFL shall account for the Demerger 1 in its books as under:

(a) SAFL shall account for the Demerger 1 of Demerged Undertaking 1 in its books of account with effect from the Appointed Date.

(b) All assets and liabilities of the Demerged Undertaking 1 shall be transferred to and recorded by SAFL at their respective book values in its books.

(c) Intangible assets, if any (not earlier recorded in the books) shall be recorded, subject to fulfilment of criteria mentioned in AS 26, by SAFL.

(d) SAFL shall record issuance of equity shares at fair value. SAFL shall credit to its Share Capital Account the aggregate of the face value of the equity shares issued on Demerger 1 and excess, if any, of the fair value of the equity shares over the face value of the shares issued shall be credited to Securities Premium Account.

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(e) The excess, if any, of the consideration, viz., fair value of equity shares issued over the value of net assets (including intangible assets, if any) of Demerged Undertaking 1 taken over and recorded, shall be recognised as goodwill in the books of SAFL. In the event the result is negative, it shall be credited to Capital Reserve in the books of SAFL. Goodwill and /or intangible assets, if any, shall be recorded on the basis of report obtained from an independent chartered accountant.

(f) Upon the Scheme becoming effective, the amount of Residual Goodwill, if any, as on Appointed Date, shall be adjusted against the balance in securities premium account (including securities premium recorded pursuant to the Demerger) of the Resulting Company. The reduction, if any, in the Securities Premium Account of Resulting Company shall be effected as an integral part of the Scheme in accordance with the provisions of Section 52 of Companies Act, 2013.

(g) SAFL shall record in its books of account, all transactions of the Demerged Undertaking 1 in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.

(h) The intangible assets, if any, recorded, as aforesaid, shall be amortized in the books of SAFL over its useful life. Goodwill having underlying Intangible Assets, if any, shall be amortized to income over a period of 5 years.

(i) To the extent that there are inter-company loans, advances, deposits or other obligations as between Demerged Undertaking 1 and SAFL, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of Resulting Company for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, advances, deposits or balances, with effect from the Appointed Date.

(j) Entire costs and expenses (including stamp duty) incurred in connection with this step of the Scheme and to put it into operation and any other expenses or charges incurred for implementing Demerger 1 shall be charged to Profit and Loss Account of SAFL.

(k) In case of any differences in accounting policies between Demerged Company 1 and SAFL, impact of the same till the Appointed Date will be quantified and the same shall be appropriately adjusted and reported in accordance with applicable accounting rules and principles, so as to ensure that the financial statements of SAFL reflect the financial position on the basis of consistent accounting policies.

(l) The Board of Directors may review the above at any time and adopt any other accounting treatment which is in accordance with Accounting Standards and generally accepted accounting principles as applicable.

13.2 Upon Part III of the Scheme becoming effective, Demerged Company 1 shall account for the Demerger 1 in its books as under:

(a) Demerged Company 1 shall reduce in its books, the book value of the assets and liabilities, as on Appointed Date pertaining to the Demerged Undertaking 1.

(b) The difference in the book value of assets over book value of liabilities as on Appointed Date transferred by Demerged Company 1 relating to the Demerged Undertaking 1 will be adjusted against the Profit and Loss Account of Demerged Company 1.

(c) Inter-corporate investments, deposits, loans and advances, if any, between Demerged Company 1 and SAFL relating to the Demerged Undertaking 1 shall stand cancelled and there shall be no further obligation in this behalf.

14 COMPLIANCE WITH SECTION 2(19AA) OF THE INCOME TAX ACT

The provision of this Scheme as they relate to the Demerger 1 complies with the conditions relating to "demerger" as defined and specified under section 2(19AA) of the Income Tax Act. If any terms or provisions or part of this Scheme are found or interpreted to be inconsistent with the provisions of section 2(19AA) of the Income Tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of section 2(19AA) of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) of the Income Tax Act and such modifications shall not affect other parts of the Scheme.

15 DATE OF EFFECTIVENESS OF PART III OF THE SCHEME

This Part III of the Scheme shall come into effect from Effective Date.

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PART IV – AMALGAMATION OF AMALGAMATING COMPANY WITH AMALGAMATED COMP ANY

16 Upon the Scheme becoming effective with effect from the Appointed Date, Amalgamating Company comprising of whole of the Amalgamating Undertaking shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in Amalgamated Company, as a going concern, in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument or deed so as to become, as and from the Appointed Date, the undertaking of Amalgamated Company by virtue of and in the manner provided herein below in Part IV of the Scheme.

17 Without prejudice to the generality of the foregoing in Clause 16 above, upon the Scheme becoming effective under the provisions of Sections 230 to 232 of the 2013 Act and all other applicable provisions of the 2013 Act, with effect from the Appointed Date, the transfer and vesting of Amalgamating Undertaking into Amalgamated Company by way of amalgamation on a going concern basis shall take place, in the following manner:

(a) All the estate, assets (including intangible assets, whether or not recorded in the books), properties, investments (i.e., shares, scripts, stocks, bonds, debenture stocks, units, pass through certificates etc.), rights, claims, title, interest, powers and authorities including accretions and appurtenances thereto, whether or not provided and/or recorded in the books of accounts, comprising as part of the Amalgamating Undertaking of whatsoever nature and where-so-ever situated shall, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in Amalgamated Company and/or be deemed to be transferred to and vested in Amalgamated Company as a going concern so as to become, as and from the Appointed Date, the estate, assets (including intangible assets), properties, investments, rights, claims, title, interest and powers and authorities including accretions and appurtenances of Amalgamated Company.

(b) Such of the assets and properties of Amalgamating Undertaking, as are movable in nature or are incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery shall, without any cost or charge and without any notice or other intimation to any third party for transfer of the same, will be and shall stand transferred to and vested in Amalgamated Company and/or be deemed to have been transferred to and vested in Amalgamated Company as part of the transfer and vesting of the Amalgamating Undertaking as a going concern so as to become as from the Appointed Date, the assets and properties of Amalgamated Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

(c) All other movable properties of Amalgamating Undertaking, including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, deposits with any Appropriate Authority or with any company or other person shall without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and shall stand transferred to and vested in Amalgamated Company and/or deemed to have been transferred to and

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vested in Amalgamated Company, by way of delivery of possession of the respective documents, as applicable, as a part of the transfer of the Amalgamating Undertaking as a going concern, so as to become from the Appointed Date, the assets and properties of Amalgamated Company.

(d) Amalgamating Company or Amalgamated Company may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor pertaining to the Amalgamating Undertaking that such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of Amalgamated Company as the person entitled thereto, to the end and intent that the right of Amalgamating Undertaking to recover or realise all such debts (including the debts payable by such debtor or obligor to Amalgamating Undertaking) stands transferred and assigned to Amalgamated Company and that appropriate entries shall be passed in the books of accounts of the relevant debtors or obligors to record such change. It is hereby clarified that investments, if any, made by Amalgamated Company and all the rights, title and interest of Amalgamating Undertaking in any licensed properties or leasehold properties shall, pursuant to 2013 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 Amalgamated Company.

(e) All immovable properties of Amalgamating Undertaking (whether freehold or leasehold, leave and licensed or otherwise) including land together with the buildings and structures standing thereon or under construction and rights and interests in immovable properties of Amalgamating Undertaking, any tenancies in relation to warehouses, office space, guest houses and residential premises including those provided to/occupied by the employees of Amalgamating Undertaking, all plant and machineries constructed on or embedded or attached to any such immovable properties, all rights, covenants, continuing rights, title and interest in connection with the said immovable properties, and all documents of title, rights and easements in relation thereto shall, stand transferred to and be vested in and be deemed to have been transferred to and vested in Amalgamated Company, without any further act or deed done/executed or being required to be done/executed by Amalgamating Company and/or Amalgamated Company. Amalgamated Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties shall, upon the Scheme becoming effective, be made and duly recorded in the name of Amalgamated Company by the Appropriate Authorities pursuant to the NCLT Sanction Order in accordance with the terms hereof.

(f) All lease and/or license or rent agreements entered into by Amalgamating Undertaking with various landlords, owners and lessors in connection with the use of the assets of Amalgamating Undertaking, together with security deposits and advance/prepaid lease/license fee, etc., shall stand automatically transferred and vested in favour of Amalgamated Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. Amalgamated Company shall continue to pay rent or lease or license fee as provided for in such agreements, and Amalgamated Company and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions

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and covenants there-under. Without limiting the generality of the foregoing, Amalgamated Company shall also be entitled to refund of security deposits paid under such agreements by Amalgamating Undertaking. All the rights, title, interest and claims of Amalgamating Company in such leasehold properties of Amalgamating Undertaking, shall, pursuant to Section 232(4) of the 2013 Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in Amalgamated Company.

(g) All permissions, approvals, sanctions, consents, subsidies, incentives, privileges, income tax benefits and exemptions, rebates, accumulated tax losses, unabsorbed depreciation, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Amalgamating Undertaking enjoyed or conferred upon or held or availed of by Amalgamating Company and all rights and benefits that have accrued or which may accrue to Amalgamating Undertaking, whether on, before or after the Appointed Date, if any, shall, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in Amalgamated Company as part of transfer of Amalgamating Undertaking as a going concern, so as to become, as and from the Appointed Date, the permissions, approvals, consents, subsidies, incentives, privileges, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements, of Amalgamated Company and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of Amalgamated Company, and Amalgamated Company shall be bound by the terms thereof and the obligations and duties thereunder, and the rights and benefits under the same shall be available to Amalgamated Company.

(h) All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Appropriate Authority) for the purpose of carrying on the business of the Amalgamating Undertaking, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to Amalgamating Undertaking, or to the benefit of which, Amalgamating Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of Amalgamated Company and may be enforced as fully and effectually as if, instead of Amalgamating Undertaking, Amalgamated Company had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by Amalgamating Company (and not by any of its successors), shall be fulfilled by Amalgamated Company as if it is the duly constituted attorney of Amalgamating Company.

(i) Any inter-se contracts between Amalgamated Company and Amalgamating Undertaking shall stand cancelled and cease to operate upon the Scheme becoming

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effective.

(j) All guarantees provided by any bank in relation to the Amalgamating Undertaking outstanding as on the Effective Date, shall vest in Amalgamated Company and shall enure to the benefit of Amalgamated Company and all guarantees issued by the bankers of Amalgamating Undertaking at its request favoring any third party shall be deemed to have been issued at the request of Amalgamated Company and continue in favour of such third party till its maturity or earlier termination.

(k) Without prejudice to the generality of the foregoing, all leave and licence agreements/deeds, lease agreements/deeds, bank guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to Amalgamating Undertaking or to the benefit of which Amalgamating Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, by operation of law, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of Amalgamated Company. All such property and rights shall stand vested in Amalgamated Company and shall be deemed to have become the property of Amalgamated Company by operation of law, whether the same is implemented by endorsement or delivery and possession or recordal or in any other manner.

(l) All the intellectual property rights of any nature whatsoever, including but not limited to intangible assets, including registrations, licenses, trademarks, logos, service marks, copyrights, domain names, trade names, and applications relating thereto, goodwill, know-how and trade secrets pertaining to Amalgamating Undertaking whether or not provided in books of accounts pertaining to Amalgamating Undertaking, without any cost, further act, instrument or deed, and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in Amalgamated Company as a part of the transfer of the Amalgamating Undertaking as a going concern, so as to become, as and from the Appointed Date, the intellectual property of Amalgamated Company.

(m) All intangible assets including various business or commercial rights, etc., if any, belonging to but not recorded in books of Amalgamating Undertaking, shall be transferred to and vested with Amalgamated Company.

(n) All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, banking cash transaction tax, securities transaction tax, input credit, CENVAT, entry tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax or goods and service tax, as applicable, excise duty, cess, wealth tax, fringe benefit tax and tax collected at source, etc.) payable by or refundable to or being the entitlement of the Amalgamating Undertaking including all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of Amalgamated Company, and any tax incentives, advantages, privileges, exemptions, rebates, credits, tax holidays, remissions, reductions and/or any other benefit, as would have been available to the Amalgamating Undertaking shall pursuant to Part IV of the Scheme becoming effective, be available to Amalgamated Company.

(o) Amalgamated Company shall be entitled to claim refunds or credits, including input tax credits, with respect to taxes paid by, for, or on behalf of, the Amalgamating Undertaking under Applicable Law, including but not limited to sales tax, value added tax, service tax, goods and service tax, excise duty, cess or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. Any inter-se transactions in relation to the Amalgamating Undertaking and Amalgamated Company between the Appointed Date and Effective Date shall be considered as transactions from Amalgamated Company to itself and, Amalgamated Company shall be entitled to claim refund of tax paid, if any on these inter-se transactions, as per the Applicable Law. For the avoidance of doubt, input tax credits already availed of or utilised by Amalgamating Undertaking and Amalgamated Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to Part IV of the Scheme.

(p) All statutory rights and obligations of the Amalgamating Undertaking would vest in/accrue to Amalgamated Company. Hence, obligation of Amalgamating Company, pertaining to Amalgamating Undertaking prior to the Effective Date, to issue or receive any statutory declaration or any other forms by whatever name called, under the State VAT Acts or the Central Sales Tax Act or Goods and Services Tax Acts or any other Applicable Law for the time being in force, would be deemed to have been fulfilled if they are issued or received by Amalgamated Company and if any form relatable to the period prior to the said Effective Date is received in the name of the erstwhile company constituting the Amalgamating Undertaking, it would be deemed to have been received by Amalgamated Company in fulfillment of its obligations.

(q) Benefits of any and all corporate approvals as may have already been taken by Amalgamating Undertaking, whether being in the nature of compliances or otherwise, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in Amalgamated Company as a part of the transfer of the Amalgamating Undertaking as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken / complied with by Amalgamated Company.

(r) Such of the assets comprised in the Amalgamating Undertaking and which are acquired by Amalgamating Company on or after the Appointed Date but prior to the Effective Date, shall without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in Amalgamated Company as a part of the transfer of the Amalgamating Undertaking as a going concern, so as to become, as and from the Appointed Date, the assets of Amalgamated Company.

18 Pursuant to the transfer and vesting of the Amalgamating Undertaking as provided in Clauses 16 and 17 above, upon the coming into effect of the Scheme, with effect from the Appointed Date:

(a) All the Liabilities, whether or not provided in the books of Amalgamating

Undertaking shall, under the provisions of Sections 230 to 232 and other applicable provisions of the 2013 Act, as applicable, and all other provisions of Applicable Law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in Amalgamated Company as a part of the transfer of the Amalgamating Undertaking as a going concern and the same shall be assumed by Amalgamated Company, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date the Liabilities of Amalgamated Company on the same terms and conditions as were applicable to Amalgamating Company, and Amalgamated Company alone shall meet, discharge and satisfy the same.

(b) All Liabilities of Amalgamating Undertaking (including the Non-Convertible Debentures), and including those which are incurred or which arise or accrue to Amalgamating Undertaking on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 230 to 232 and other applicable provisions of the 2013 Act, and all other provisions of Applicable Law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in Amalgamated Company as a part of the transfer of the Amalgamating Undertaking as a going concern and the same shall be assumed by Amalgamated Company and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to Amalgamating Undertaking, and Amalgamated Company alone shall meet, discharge and satisfy the same. As the Non-Convertible Debentures form a part of the Amalgamating Undertaking, and also the Demerged Undertaking 2, and both the Amalgamation and the Demerger 2 have the same Appointed Date; the Amalgamated Company shall not issue any securities upon transfer of the Non-Convertible Debentures pursuant to the Amalgamation, and such Non-Convertible Debentures shall be deemed to be simultaneously transferred from the Amalgamated Company to the Resulting Company, which alone shall issue the New Non-Convertible Debentures against transfer of the Non-Convertible Debentures.

(c) Any Liabilities of Amalgamating Undertaking as on the Appointed Date that are discharged by Amalgamating Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of Amalgamated Company.

(d) All loans raised and utilised, Liabilities, duties and taxes and obligations incurred or undertaken by or on behalf of Amalgamating Undertaking on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of Amalgamated Company and shall, under the provisions of Sections 230 to 232 and other applicable provisions of the 2013 Act and all other provisions of Applicable Law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in Amalgamated Company as a part of transfer of the Amalgamating Undertaking as a going concern and the same shall be assumed by Amalgamated

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Company and to the extent they are outstanding on the Effective Date, Amalgamated Company shall meet, discharge and satisfy the same.

(e) All inter-se Liabilities between Amalgamating Undertaking and Amalgamated Company, if any, due or outstanding or which may at any time immediately prior to the Effective Date become due / remain outstanding, shall stand cancelled and shall be deemed to have been discharged by such cancellation and consequently, there shall remain no inter-se liability between them as of the Effective Date and corresponding effect shall be given in the books of account and records of Amalgamated 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, duties and obligations have arisen in order to give effect to the provisions of this Clause 18.

19 Upon the coming into effect of this Scheme and with effect from the Appointed Date:

(a) All Encumbrances existing prior to the Effective Date over the assets of Amalgamating Undertaking, if any, which secure or relate to the Liabilities shall, without any further act, instrument, deed or document, cost or charge and without any notice or other intimation to any third party for the transfer of the same, continue to relate and attach to such assets or any part thereof to which they were related or attached prior to the Effective Date and are transferred to Amalgamated Company. It being clarified that the aforesaid Encumbrances shall not be extended to any assets of Amalgamating Undertaking which were earlier not Encumbered or the existing assets of Amalgamated Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

(b) Any reference in any security documents or arrangements to which Amalgamating Company is a party and which pertains to the Amalgamating Undertaking and its assets and properties, shall be construed as a reference to Amalgamated Company, and the assets and properties of Amalgamating Company pertaining to Amalgamating Undertaking transferred to Amalgamated Company pursuant to Part IV of the Scheme.

(c) Without prejudice to the foregoing provisions, Amalgamated Company may execute any instruments or documents or do all such acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

(d) The provisions of this clause shall operate notwithstanding anything to the contrary contained in any instrument, deed, document or writing or the terms of sanction or issue or any security document; all of which instruments, deeds, documents or writings shall stand modified and/or superseded by the foregoing provisions.

20 Upon the coming into effect of this Scheme, and with effect from the Appointed Date:

(a) All employees of the Amalgamating Undertaking shall become employees of Amalgamated Company with effect from the Effective Date, on same terms and conditions which, as a result, shall be no less favourable than those on which they are currently engaged by Amalgamating Company without any interruption of service as a result of amalgamation and transfer of employment. With regard to provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of such transferred employees of Amalgamating Undertaking, upon Part IV of the Scheme becoming effective, Amalgamated Company Amalgamating Company shall stand substituted for Amalgamating Company, with whom they were earlier employed, for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by Amalgamating Company, in accordance with the provisions of Applicable Law or otherwise. It is hereby clarified that upon Part IV of the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided or operated by Amalgamated Company in place of Amalgamating Company in relation to all such transferred employees and the services of all such transferred employees for such purpose shall be treated as having been continuous.

(b) Amalgamated Company agrees that the services of all employees of Amalgamating Undertaking, shall be taken into account for the purposes of all benefits to which such employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and other retirement benefits and accordingly, shall be reckoned from the date of their respective appointment in Amalgamating Company. Amalgamated Company undertakes to pay the same, as and when payable under Applicable Law.

(c) The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, annuity, deposit linked insurance fund, pension, staff welfare scheme and any other special scheme or benefits created by Amalgamating Company for employees of Amalgamating Undertaking shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, annuity, deposit linked insurance fund, pension, staff welfare scheme, etc., being maintained by Amalgamated Company or as may be created by Amalgamated Company for such purpose. Pending such transfer, the contributions required to be made in respect of such transferred employees of Amalgamating Undertaking shall continue to be made by Amalgamated Company to the existing funds maintained by Amalgamating Company. It is the intent that all the rights, duties, powers and obligations of Amalgamating Company in relation to such fund or funds shall become those of Amalgamated Company without need of any fresh approval from any statutory authority.

(d) Upon the Scheme becoming effective, Amalgamating Company will transfer/handover to Amalgamated Company, copies of employment information of all such transferred employees of Amalgamating Undertaking, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.

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(e) The contributions made by Amalgamating Undertaking in respect of its employees under Applicable Law, to the provident fund, gratuity, leave encashment and any other special scheme or benefits created, for the period after the Appointed Date shall be deemed to be contributions made by Amalgamated Company.

(f) Amalgamated Company shall continue to abide by any agreement(s)/ settlement(s) entered into by Amalgamating Company with employees of Amalgamating Undertaking which are subsisting or having effect immediately prior to Appointed Date and from Appointed Date till the Effective Date.

21 **LEGAL PROCEEDINGS**

(a) All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Amalgamating Company shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer and vesting of the Amalgamating Undertaking or anything contained in this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against Amalgamating Company, as if this Scheme had not been made.

(b) Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, before any Appropriate Authority, by or against Amalgamating Company, whether pending and/or arising on or before the Effective Date shall be continued and / or enforced by or against Amalgamated Company as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against Amalgamated Company.

(c) Amalgamated Company undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated by or against Amalgamating Undertaking transferred to its name and to have the same continued, prosecuted and enforced by or against Amalgamated Company upon the coming into effect of Part IV of this Scheme.

22 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all books, records, files, papers, information, databases, and all other books and records, whether in physical or electronic form, pertaining to Amalgamating Undertaking, to the extent possible and permitted under Applicable Law, be handed over to Amalgamated Company.

23 Without prejudice to the provisions of Clauses 16 to 22 above, with effect from the Appointed Date and upon this Scheme coming into effect, all inter-party transactions amongst Amalgamating Company and Amalgamated Company pertaining to Amalgamating Undertaking shall be considered as intra-party of Amalgamated Company transactions for all purposes.

24 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Amalgamating Undertaking occurs by virtue of this Scheme itself, Amalgamated Company may, at any time after the Scheme becoming effective, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), documents, confirmations or other writings or

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enter into any arrangements with any party to any contract or arrangement to which Amalgamating Company is a party in respect of any matter pertaining to Amalgamating Undertaking or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution/endorsement in the name of Amalgamated Company pursuant to the NCLT Sanction Order, and upon Part IV of the Scheme becoming effective in accordance with the terms hereof. For this purpose, Amalgamated Company shall, as required, file appropriate applications/documents with relevant authorities concerned for information and record purposes. Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Amalgamating Company and to carry out or perform all such formalities or compliances referred to above on the part of Amalgamating Company.

25 If due to any reason whatsoever, the Part III of the Scheme does not become effective, in that event the amalgamation of Amalgamating Undertaking with Amalgamated Company as envisaged hereinabove in Part IV of the Scheme shall also not take effect.

26 **CONDUCT OF BUSINESS UP TO THE EFFECTIVE DATE:**

(a) Amalgamating Company shall carry on and be deemed to have carried on all business and activities of Amalgamating Undertaking and shall hold and stand possessed of and shall be deemed to hold and stand possessed of the entire Amalgamating Undertaking for and on account of, and in trust for, Amalgamated Company;

(b) all obligations, Liabilities, duties and commitments attached, related or pertaining to Amalgamating Undertaking shall be undertaken and shall be deemed to have been undertaken by Amalgamating Company for and on account of and in trust for Amalgamated Company;

(c) all profits and income accruing or arising to Amalgamating Company pertaining to the Amalgamating Undertaking and losses and expenditure arising or incurred by Amalgamating Company pertaining to Amalgamating Undertaking for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of Amalgamated Company;

(d) any of the rights, powers, authorities or privileges exercised by Amalgamating Company in relation to Amalgamating Undertaking shall be deemed to have been exercised by Amalgamating Company for and on behalf of, and in trust for and as an agent of Amalgamated Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by Amalgamating Company pertaining to the Amalgamating Undertaking, shall be deemed to have been undertaken for and on behalf of and as an agent of Amalgamated Company;

(e) all taxes, where applicable (including but not limited to advance income tax, tax deducted at source, minimum alternate tax, wealth tax, fringe benefit tax, banking cash transaction tax, tax collected at source, taxes withheld/paid in a foreign country, sales tax, value assed tax, excise duty, customs duty, service tax or goods and service tax, as applicable, cess, tax refunds) payable by or refundable to Amalgamating

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Company pertaining to the Amalgamating Undertaking including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under any Applicable Law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of Amalgamating Company) as the case may be, of Amalgamated Company, and any unabsorbed tax losses and depreciation, etc., which pertains to Amalgamating Undertaking, as would have been available to Amalgamating Company pertaining to Amalgamating Undertaking on or before the Effective Date, shall be available to Amalgamated Company upon Part IV of the Scheme coming into effect; and

(f) Amalgamating Company shall not without the concurrence of Amalgamated Company alienate, charge or otherwise deal with any of its assets forming part of Amalgamating Undertaking, except in the ordinary course of its business.

27 Subject to the terms of the Scheme, the transfer and vesting of the Amalgamating Undertaking as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by Amalgamating Company on or with effect from the Appointed Date till the Effective Date.

28 **CONSIDERATION**

As the entire paid up share capital of Amalgamating Company is held by Amalgamated Company along with its nominees, it is expressly understood that, upon this Scheme becoming effective, there will be no issue and allotment of any securities by Amalgamated Company in respect of amalgamation of Amalgamating Undertaking.

29 **ACCOUNTING TREATMENT**

Upon Part IV of the Scheme becoming effective, Amalgamated Company shall account for the Amalgamation in its books as under:

(a) Amalgamated Company shall account for the Amalgamation of Amalgamating Company, in its books of account with effect from the Appointed Date.

(b) The Amalgamation of Amalgamating Undertaking shall be accounted for in accordance with "Purchase Method" of accounting as per the Accounting Standard 14 "Accounting for Amalgamation" as prescribed in Companies (Accounting Standards) Rules, 2006.

(c) All the assets and liabilities of Amalgamating Company pertaining to Amalgamating Undertaking shall be recorded in the books of account of Amalgamated Company at their respective fair values and in the same form, except to ensure uniformity of accounting policies.

(d) To the extent that there are inter-company loans, advances, investments, deposits or other obligations as between Amalgamating Company and Amalgamated Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of Amalgamating Company as well as Amalgamated Company for the reduction of any such assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, advances, deposits or balances, with effect from the

Appointed Date.

(e) The identity of statutory reserves (including Debt Redemption Reserve) of Amalgamating Company, if any, shall be preserved and they shall appear in the financial statements of Amalgamated Company in the same form and manner in which they appeared in the financial statements of Amalgamating Company prior to this Scheme becoming effective. Statutory Reserves shall be accounted for by debiting 'Amalgamation Adjustment A/c.'

(f) The value of investments held by Amalgamated Company in Amalgamating Company shall stand cancelled pursuant to Amalgamation.

(g) In case of any differences in accounting policies between Amalgamated Company and Amalgamating Company, impact of the same till the Appointed Date will be quantified and the same shall be appropriately adjusted and reported in accordance with applicable accounting rules and principles, so as to ensure that the financial statements of Amalgamated Company reflect the financial position on the basis of consistent accounting policies.

(h) The difference between (i) the value of investment in Amalgamating Company held by Amalgamated Company and cancelled as per Clause 29.1 (f) and (ii) the fair value of net assets of Amalgamating Company taken over & recorded as per Clause 29.1 (c), after due adjustment of Clause 29.1 (d) and Clause 29.1 (g), shall be recorded as goodwill or capital reserve as the case may be, and dealt with in accordance with AS-14.

(i) Amalgamated Company shall record in its books of account, all transactions of Amalgamating Undertaking in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.

(j) Entire costs and expenses (including stamp duty) incurred in connection with this step of the Scheme and to put it into operation and any other expenses or charges attributable to the implementation of Amalgamation shall be charged to Profit and Loss Account.

(k) The Board of Directors may adopt any other accounting treatment for Amalgamation which is in accordance with Accounting Standards and generally accepted accounting principles as applicable.

30 **WINDING UP**

On the Scheme becoming effective, the Amalgamating Company shall without any further act, instrument or deed stand dissolved without being wound-up.

31 **COMPLIANCE WITH SECTION 2(1B) OF THE INCOME TAX ACT, 1961**

The provision of Part IV of this Scheme as they relate to the amalgamation comply with the conditions relating to "amalgamation" as defined and specified under section 2(1B) of the Income Tax Act. If any terms or provisions or part of Part IV of this Scheme are found or interpreted to be inconsistent with the provisions of section 2(1B) of the Income Tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever,

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the provisions of section 2(1B) of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with section 2(1B) of the Income Tax Act and such modifications shall not affect other parts of the Scheme.

32 DATE OF EFFECTIVENESS OF PART IV OF THE SCHEME

This Part IV of the Scheme shall come into effect from Effective Date.

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Part V – DEMERGER OF DEMERGED UNDERTAKING 2 FROM DEMERGED COMPANY 2 TO RESULTING COMPANY

33 **TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING 2**

33.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the Demerged Undertaking 2 shall, pursuant to the provisions of Sections 230 to 232and other relevant provisions of the 2013 Act, and in accordance with Section 2(19AA) of the Income Tax Act, without any further act, instrument or deed, be transferred to and vest in, or be deemed to be transferred to and vested in the Resulting Company, as a going concern, so as to become as and from the Appointed Date, the undertaking of the Resulting Company by virtue of and in the manner provided in this Part V.

33.2 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date, in accordance with the provisions of Applicable Laws and the 2013 Act, all the consents, permissions, licenses, certificates, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of Demerged Company 2, and the rights and benefits under the same shall, insofar as they relate to the Demerged Undertaking 2 and all quality certifications and approvals, trademarks, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual property and all other interests relating to the goods, services or any other assets being directly and exclusively dealt with by the Demerged Undertaking 2, be transferred to and vested in the Resulting Company. In respect of all the movable assets of Demerged Company 2 in so far as they pertain to the Demerged Undertaking 2 and the other assets pertaining to the Demerged Undertaking 2 which are otherwise capable of transfer to the Resulting Company shall be deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Resulting Company to the end and intent that the property and benefit therein passes to the Resulting Company with effect from the Appointed Date without requiring any deed or instrument of conveyance for transfer of the same. Such delivery and transfer shall be made on a date mutually agreed upon between the respective Board of Directors of Demerged Company 2 and the Resulting Company. In respect of any intangible moveable assets of Demerged Company 2 pertaining to the Demerged Undertaking 2, other than those mentioned hereinabove, and actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with any Appropriate Authority and customers, the same shall on and from the Appointed Date stand transferred to and vested in the Resulting Company. The Resulting Company may, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the NCLT having sanctioned this Scheme, the relevant debt, loan, advance or other asset, 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 Demerged Company 2 to recover or realize the same stands transferred to the Resulting Company and that appropriate entries shall be passed in their respective books to record the aforesaid changes.

33.3 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all the various incentives, service tax benefits, goods and service tax benefits, all tax holiday, deductions under the Income Tax Act including but not limited to deduction under sections 36(1)(viii), 36(1)(viia) of the Income Tax Act, subsidies (including applications for subsidies), grants, special status and other benefits or privileges enjoyed, granted by any governmental body, local authority or by any other person, or availed of by Demerged Company 2 are concerned, the same shall, without any further act or deed, in so far as they relate to the Demerged Undertaking 2, vest with and be available to the Resulting Company on the same terms and conditions. All intangible assets including various business or commercial rights, etc., if any, belonging to but not recorded in books of Demerged Company 2 pertaining to Demerged Undertaking 2, shall be transferred to and vested with Resulting Company and shall be recorded at their respective fair values. The consideration agreed under the Scheme shall include payment towards these intangible assets and goodwill at their respective fair values. Such intangible assets and goodwill, if any, shall, for all purposes, be regarded as intangible assets in terms of Explanation 3(b) to section 32(1) of Income Tax Act and shall be eligible for depreciation thereunder at the prescribed rates

33.4 All the Demerged Undertaking Liabilities of Demerged Undertaking 2 as on the Appointed Date to the extent they are outstanding as on the Effective Date shall also stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company on a going concern basis, without any further act or deed pursuant to Section 232(3) of the 2013 Act, so as to become the Liabilities of the Resulting Company on the same terms and conditions as was applicable to Demerged Company 2.

33.5 Where any of the Liabilities and obligations of Demerged Company 2 as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by Demerged Company 2 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.

33.6 The Demerger 2 and the transfer and vesting of the assets shall be subject to the Encumbrances, if any affecting the same as hereinafter provided:

(a) The Encumbrances or those, if any, created after the Appointed Date, in terms of this Scheme, over the assets comprised in Demerged Undertaking 2, or any part thereof transferred to the Resulting Company, shall after the Effective Date continue to relate and attach to such assets or any part thereof to which they are related or attached to, prior to the Effective Date and such Encumbrances shall not relate to or attach to any of the other assets of Resulting Company.

(b) In so far as any Encumbrances over the assets comprised in the Demerged Undertaking 2, are security for liabilities of the Remaining Business of Demerged Company 2, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets of the Demerged Undertaking 2, shall stand released and discharged from the obligations and security relating to the same and the Encumbrances shall only extend to and continue to operate against the assets retained with Demerged Company 2 and shall cease to operate against any of the assets transferred to the Resulting Company. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

(c) In so far as any Encumbrances over the assets comprised in the Remaining Business of Demerged Company 2 are security for the Demerged Undertaking Liabilities of Demerged Undertaking 2, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

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(d) Without prejudice to the provisions of the foregoing clauses, upon the Scheme becoming effective, Demerged Company 2 and the Resulting Company shall execute all instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modifications of charge with the Registrar of Companies, to give formal effect to the above provisions, if required.

(e) Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of Clause 33 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

33.7 Upon the Scheme becoming effective, and in consideration of transfer and vesting of the Demerged Undertaking 2 of Demerged Company 2 into the Resulting Company, without any further application or deed, the Non-Convertible Debentures (including Debt Redemption Reserve pertaining to Non-Convertible Debentures) shall be transferred to the Resulting Company, and the holders of the Non-Convertible Debentures shall be issued the New Non-Convertible Debentures by the Resulting Company, and the Non-Convertible Debentures shall be cancelled in accordance with the following:

(a) Upon transfer of the Non-Convertible Debentures, the New Non-Convertible Debentures shall be issued to the holders of the Non-Convertible Debentures whose names appear in the register of debenture holders maintained by the Demerged Company 1, or the record of the depository, as the case may be as on the Record Date; or their respective heirs, executors, administrators or successors, upon such heirs, executors, administrators or successors providing requisite documents to the satisfaction of the Board of Directors of the Resulting Company.

(b) The New Non-Convertible Debentures shall be issued by the Resulting Company in the same quantity and on the same terms and conditions to the holders of the Non-Convertible Debentures holding the Non-Convertible Debentures of the Demerged Company 1. For the avoidance of doubt, the New Non-Convertible Debentures shall have the residual term and outstanding amount of the Non-Convertible Debentures.

(c) It is clarified that no cash consideration shall be paid by the Resulting Company to the Demerged Company 2 or the holders of the Non-Convertible Debentures.

(d) The New Non-Convertible Debentures shall be issued only in dematerialised form by the Resulting Company.

(e) New Non-Convertible Debentures to be issued by the Resulting Company pursuant to this Scheme in respect of any of the Non-Convertible Debentures which are held in abeyance under the 2013 Act or otherwise shall, pending allotment or settlement of dispute by order of a court or otherwise, also be kept in abeyance by the Resulting Company. In the event of there being any pending Non-Convertible Debenture Transfers, whether lodged or outstanding, of any

Non-Convertible Debenture holder of Demerged Company 1, the Board of Directors of Demerged Company 2 (or any successor thereof) shall be empowered to take such actions as may be necessary in order to remove any difficulties arising with the transfer of the Non-Convertible Debenture in the Demerged Company 2 and in relation to the New Non-Convertible Debentures issued by the Resulting Company pursuant to the Scheme.

(f) The approval of this Scheme shall be deemed to be due compliance of all applicable provisions of the 2013 Act for the issue and allotment of New Non-Convertible Debentures by the Resulting Company to the holders of the Non-Convertible Debentures, as provided in this Scheme.

(g) The Board of Directors of Resulting Company and Demerged Company 2 shall, if and to the extent required, apply for and obtain any approvals as may be required for the issue and allotment of the New Non-Convertible Debentures.

(h) The New Non-Convertible Debentures issued by the Resulting Company upon transfer and in lieu of the Non-Convertible Debentures which are listed, shall be listed and admitted to trading on the Stock Exchanges in compliance with the Applicable Laws and the requirements of the Stock Exchanges. Resulting Company shall make all requisite applications and shall otherwise comply with the provisions of Applicable Laws and take all steps to procure the listing of such New Non-Convertible Debentures issued by it.

(i) In case any Non-Convertible Debenture is required to be redeemed prior to the transfer and listing having been fully completed, such Non-Convertible Debenture shall be redeemed in accordance with its terms. It is further clarified that if, any listed Non-Convertible Debenture is due for redemption prior to issuance of the New Non-Convertible Debentures, then such Non-Convertible Debenture shall be redeemed in accordance with its terms, and no New Non-Convertible Debentures shall be issued in lieu thereof. In addition, if any such New Non-Convertible Debenture is due for redemption after its issuance but prior to its listing, then the Resulting Company shall be entitled to pay the redemption amount to the holder of such New Non-Convertible Debentures in accordance with its terms. In such case, the Resulting Company shall inform the Stock Exchanges about such payments, and shall comply with the requirements and instructions, if any, of the Stock Exchanges to affect such redemption.

33.8 Upon the Scheme becoming effective and upon issuance of the New Non-Convertible Debentures by the Resulting Company, the instrument of the Non-Convertible Debentures issued by Demerged Company 1 shall automatically stand cancelled and be deemed to be redeemed and the Demerged Company 1 shall execute relevant documents and perform all necessary acts and deeds for the transfer and cancellation of the Non-Convertible Debentures and release of the ISIN (if required). The certificates issued by the Demerged Company 1, in relation to the Non-Convertible Debentures, shall, without any further application, act, instruments or deed, be deemed to be and stand automatically cancelled. Further, in relation to the Non-Convertible Debentures held in dematerialized form, the Demerged Company 1 shall execute and take all necessary steps, actions, matters to make necessary fillings, as required to give effect to the cancellation.

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33.9 It is hereby clarified that the rest of the assets and Liabilities (other than those forming part of the Demerged Undertaking 2 or otherwise specified in this Scheme) of Demerged Company 2 shall continue in Demerged Company 2.

33.10 All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Demerged Company 2 pertaining to the Demerged Undertaking 2 after the Effective Date 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. Similarly, the banker of the Resulting Company shall honour all cheques issued by Demerged Company 2 pertaining to the Demerged Undertaking 2 for payment after the Effective Date. If required, Demerged Company 2 shall allow maintaining of bank accounts in its name by the Resulting Company for such time as may be determined to be necessary by Demerged Company 2 and the Resulting Company for presentation and deposition of cheques and pay orders that have been issued in the name of Demerged Company 2 in connection with the business of Demerged Undertaking 2.

33.11 It is clarified that if any assets, (claims, rights, title, interest in, or authorities relating to such assets) or liabilities or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever in relation to Demerged Undertaking 2 which Demerged Company 2 owns or to which Demerged Company 2 is a party and which cannot be transferred to the Resulting Company for any reason whatsoever, Demerged Company 2 shall hold such assets or contract, deeds, bonds, liabilities, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the Resulting Company to which the Demerged Undertaking 2 is being transferred in terms of this Scheme, in so far as it is permissible so to do, till such time as the transfer is effected.

33.12 All necessary records, files, papers, technical and process information, all product and service pricing, costing, commercial and business related information, computer program, drawings and designs, procedure and other manuals, training materials, prospect lists, data, catalogues, quotations, sales and advertising materials, financing and serving related forms, lists and all details of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form in connection with or relating to the Demerged Undertaking 2 shall be transferred to Resulting Company;

34 LEGAL PROCEEDINGS

34.1 With effect from the Effective Date, all Legal Proceedings by or against Demerged Company 2 relating to the Demerged Undertaking 2 under any statute, whether pending on the Appointed Date or which may be instituted anytime thereafter, shall be continued and enforced by or against the Resulting Company after the Effective Date, to the extent legally permissible. To the extent the Legal Proceedings cannot be taken over by the Resulting Company, the Legal Proceedings shall be pursued by or against the Demerged Company 2 as per the instructions of and entirely at the costs and expenses of the Resulting Company. In the event that such liability is incurred or such claim or demand is made upon Demerged Company 2 (or any successor thereof) pertaining to the Demerged Undertaking 2, then the Resulting Company shall reimburse and indemnify Demerged Company 2 (or any successor thereof) for any payments made in relation to the same.

34.2 Upon the coming into effect of this Scheme, any Legal Proceedings by or against Demerged Company 2 under any statute, whether or not pending on the Appointed Date, whether or

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not in respect of any matter arising before the Effective Date and relating to the Remaining Business of Demerged Company 2 (including those relating to any property, right, power, liability, obligation or duties of Demerged Company 2 in respect of the Remaining Business of Demerged Company 2) shall be continued and enforced by or against Demerged Company 2. The Resulting Company shall in no event be responsible or liable for or in relation to any such Legal Proceeding by or against Demerged Company 2.

34.3 The Resulting Company undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated pertaining to the Demerged Undertaking 2, transferred to its name and to have the same continued, prosecuted and enforced by or against the Resulting Company.

35 **CONTRACTS, LICENSES, APPROVALS AND PERMITS**

35.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, all licenses, approvals or permits, whether governmental or otherwise, contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking 2 to which Demerged Company 2 is a party or to the benefit of which Demerged Company 2 may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour of, as the case may be, vest in the Resulting Company, and may be enforced as fully and effectually as if, instead of Demerged Company 2, the Resulting Company had been a party or beneficiary or obligee thereto.

35.2 Without prejudice to the other provisions of this Scheme and notwithstanding that the vesting of the Demerged Undertaking 2 with the Resulting Company occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement, to which Demerged Company 2 is a party, or any writings as may be necessary, to be executed merely in order to give formal effect to the above provisions. Demerged Company 2 (or any successor thereof) shall, if necessary, also be a party to the above. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Demerged Company 2 and to carry out or perform all such formalities or compliances referred to above on the part of Demerged Company 2 to be carried out or performed.

35.3 Any statutory and other licenses, registrations, permissions, approvals or consents to carry on the operations whether issued by statutory and other authorities of Demerged Company 2 pertaining to Demerged Undertaking 2 shall stand vested in or transferred to the Resulting Company without any further act or deed and shall be appropriately mutated by the statutory and other authorities concerned in favour of the Resulting Company upon the Scheme becoming effective. The benefit of all such statutory and regulatory permissions, and consents, shall vest in and become available to the Resulting Company pursuant to this Scheme. Since each of the statutory and other licenses, registrations, permissions, approvals or consents shall stand transferred by the order of the NCLT to the Resulting Company, the Resulting Company shall file the relevant intimations for the record of the statutory and other authorities who shall take them on file pursuant to the vesting orders of the NCLT.

35.4 It is hereby clarified that if any licenses, approvals, permits, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation

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to the Demerged Undertaking 2 to which Demerged Company 2 is a party to, cannot be transferred to the Resulting Company for any reason whatsoever, Demerged Company 2 shall hold such contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, in so far as it is permissible so to do till such time as the transfer is effected.

35.5 Any and all transactions between Demerged Company 2 and the Resulting Company in the period between the Appointed Date and Effective Date which have the effect of being consummated only upon the Scheme coming into effect, shall accrue with effect from the Effective Date and any and all compliances with respect to such transactions shall be applicable from the Effective Date.

36 **TREATMENT OF TAXES**

36.1 All taxes (including income tax, sales tax, service tax, goods and service tax etc.) paid or payable by Demerged Company 2, in respect of the operations and / or the profits of the Demerged Undertaking 2 before the Appointed Date, shall be on account of Demerged Company 2, and insofar as it relates to the tax payment (including, without limitation, sales tax, income tax, service tax, goods and service tax etc.), whether by way of deduction or collection at source, advance tax or otherwise howsoever, by Demerged Company 2 in respect of the profits or activities or operation of the Demerged Undertaking 2 after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company, and shall, in all proceedings, be dealt with accordingly.

36.2 Without prejudice to the generality of the foregoing, on and from the Appointed Date, if any certificate for tax deducted or collected at source or any other tax credit certificate relating to the Demerged Undertaking 2 is received in the name of Demerged Company 2, or tax credit relating to the Demerged Undertaking 2 is appearing in Form 26AS of the Demerged Company 2, it shall be deemed to have been received by and in the name of the Resulting Company which alone shall be entitled to claim credit for such tax deducted or paid.

36.3 Upon the coming into effect of this Scheme, Demerged Company 2 and the Resulting Company are expressly permitted to revise their respective tax returns electronically and if the electronic filing is not enabled in the official website of the income tax department, it can be filed manually before the income tax authorities holding jurisdiction over the Demerged Company 2 and the Resulting Company even if the time limit prescribed for filing revised return of income under section 139(5) of the Income Tax Act, 1961 has lapsed and/or assessment proceedings has been completed and no further approval for filing revised return shall be required from CBDT or any other Appropriate Authority and also revise related withholding tax certificates, including withholding tax certificates relating to transactions between Demerged Company 2 and the Resulting Company, to the extent required and to claim refunds, advance tax and withholding tax credits, and benefit of credit for minimum alternate tax, or tax related deductions, or any other tax related compliances or filings of forms.

36.4 The service tax/goods and service tax paid by Demerged Company 2 under the Finance Act, 1994 in respect of services provided by the Demerged Undertaking 2 for the period commencing from the Appointed Date shall be deemed to be the service tax/goods and service tax paid by the Resulting Company, and credit for such service tax/goods and service tax shall be allowed to the Resulting Company notwithstanding that challans for service tax/goods and service tax payments are in the name of Demerged Company 2 and not in the name of the Resulting Company.

37 **EMPLOYEES**

37.1 All the employees of Demerged Company 2 who are exclusively part of the Demerged Undertaking 2 shall stand transferred to the Resulting Company on terms and conditions, which as a result, shall not be less favourable than the terms and conditions of employment offered by Demerged Company 2 (including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and / or any other retirement benefits) without any interruption in service as a result of transfer of the Demerged Undertaking 2 to the Resulting Company and without any further act, deed or instrument on the part of Demerged Company 2 or the Resulting Company.

37.2 The Resulting Company agrees that the services of all such employees (as mentioned in Clause 37.1 above) with Demerged Company 2 prior to the transfer, as aforesaid, shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity fund plans, provident fund plans, superannuation fund plans and any other retirement benefits and accordingly, shall be reckoned therefore from the date of their respective appointment in Demerged Company 2 who were part of the Demerged Undertaking 2.

37.3 The existing provident fund, superannuation and gratuity fund, incentives, if any, of which the aforesaid employees of Demerged Company 2 who are part of the Demerged Undertaking 2, are members or beneficiaries, along with all accumulated contributions therein till the Effective Date, shall, with the approval of the concerned authorities, be transferred to and continued without any break, to be administered by the Resulting Company or as may be created by the Resulting Company for the benefit of such employees on the same terms and conditions. All benefits and schemes being provided to the transferred employees will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes. Accordingly, the provident fund, superannuation fund and gratuity fund dues, if any, of the said employees of Demerged Company 2, would be continued to be deposited in the transferred provident fund, superannuation fund and gratuity fund account by the Resulting Company. In case necessary approvals are not received or the respective funds are not created by the Effective Date and there is delay, all such amounts shall continue to be administered by Demerged Company 2 as a trustee from the Effective Date till the date of actual transfer and on receiving the approvals, all the accumulated amounts till such date, shall be transferred to the respective funds of the Resulting Company in accordance with the approvals that have been obtained.

38 **SAVINGS OF CONCLUDED TRANSACTIONS**

The demerger and vesting of the assets, liabilities and obligations of the Demerged Undertaking 2 as per this Scheme, and the continuance of the Legal Proceedings by or against the Resulting Company under Clause 34 shall not affect any transaction or proceedings already completed by the Demerged Undertaking 2 on or after the Appointed Date but before the Effective Date, to the end and intent that the Resulting Company accepts all acts, deeds and things done and executed by and / or on behalf of Demerged Company 2 as acts, deeds and things done and executed by and on behalf of the Resulting Company.

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39 **CONDUCT OF BUSINESS OF THE DEMERGED UNDERTAKING 2 OF DEMERGED COMPANY 2 UNTIL THE EFFECTIVE DATE**

39.1 With effect from the Appointed Date and up to and including the Effective Date, Demerged Company 2 shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Demerged Undertaking 2 for and on account of and in trust for the Resulting Company.

39.2 All profits or income accruing or arising to Demerged Company 2 or losses including tax losses, arising or incurred by Demerged Company 2 in relation to the Demerged Undertaking 2 for the period commencing from the Appointed Date to the Effective Date shall, for all purposes, be treated as profit, income, loss or expenditure, as the case may be, of the Resulting Company.

39.3 All assets acquired by Demerged Company 2 after the Appointed Date and prior to the Effective Date for operation of the Demerged Undertaking 2 or pertaining to the Demerged Undertaking 2 shall be deemed to have been acquired in trust for and on behalf of the Resulting Company, and shall also stand transferred to and vested in the Resulting Company upon the coming into effect of this Scheme.

39.4 Where any of the liabilities and obligations of Demerged Company 2 as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by Demerged Company 2 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company, and all loans raised and used and all liabilities and obligations incurred by Demerged Company 2 for the operations of the Demerged Undertaking 2 after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company, and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Resulting Company and shall become the liabilities and obligations of the Resulting Company, which shall be liable to meet, discharge and satisfy the same.

39.5 All intra party transactions between Demerged Company 2 and Resulting Company pertaining to Demerged Undertaking 2 shall be considered as inter party transactions. Tax, if any, on such inter party transactions shall be payable without any interest and penalty, subject to applicable laws.

39.6 Demerged Company 2 hereby confirms that it shall continue, from the date of approval of the Scheme by the Board of Demerged Company 2 and up to the Effective Date, to preserve and carry on the Demerged Undertaking 2 of Demerged Company 2 with due diligence and prudence.

Subject to the terms of the Scheme, the transfer and vesting of the Demerged Undertaking 2 as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded on or with effect from the Appointed Date as applicable till the Effective Date.

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40 **REMAINING BUSINESS OF DEMERGED COMPANY 2**

40.1 The Remaining Business of Demerged Company 2 and all the assets, properties, rights, liabilities and obligations relating thereto shall continue to belong to and be vested in Demerged Company 2 and the Resulting Company shall have no right, claim or obligation in relation to the Remaining Business of Demerged Company 2.

40.2 All Legal Proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against Demerged Company 2 under any statute, whether relating to the period prior to or after the Appointed Date and whether pending on the Appointed Date or which may be instituted at any time thereafter, relating to the Remaining Business of Demerged Company 2 (including those relating to any property, right, power, liability, obligation or duties of Demerged Company 2 in respect of the Demerged Company 2 Residual Undertaking) shall be continued and enforced by or against Demerged Company 2 after the Effective Date.

40.3 With effect from the Appointed Date and up to, including and beyond the Effective Date, Demerged Company 2:

(a) shall be deemed to have been carrying on and to be carrying on all the business and activities relating to the Remaining Business of Demerged Company 2 for and on behalf of its own behalf; and

(b) all profits accruing to Demerged Company 2 thereon or losses arising or incurred by it relating to the Remaining Business of Demerged Company 2 shall for all purposes be treated as the profits or losses, as the case may be, of Demerged Company 2.

41 **CONSIDERATION**

41.1 Upon the Scheme becoming effective and in consideration of transfer and vesting of the Demerged Undertaking 2 into the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot fully paid-up equity shares to all the equity shareholders of Demerged Company 2 whose name appears in the Register of Members or the records of the depositories as members of Demerged Company 2 as on the Record Date or to his / her heirs, executors, administrators or the successors-in-title, as the case may be, upon such heirs, executors, administrators or the successors-in-title providing satisfactory documents to the Board of Directors of the Resulting Company, in the following ratio:

> "1 (One) equity share of Rs.10 each fully paid-up of the Resulting Company 2 for every 5 (Five) equity share of Rs.10 each fully paid-up held in Demerged Company 2". ("**Share Entitlement Ratio 2**")

41.2 The Share Entitlement Ratio 2 mentioned above has been arrived at based on the valuation report prepared by Sharp & Tannan, Independent Chartered Accountants, supported by a fairness opinion submitted by ICICI Securities and approved by the audit committee of Demerged Company 2 and the Board of Directors of Demerged Company 2 and Resulting Company. It is clarified that no cash consideration shall be paid by the Resulting Company to the Demerged Company 2 or its shareholders.

41.3 The equity shares to be issued by the Resulting Company pursuant to Clause 41.1 ("**Resulting Company New Equity Shares**") above shall be issued in dematerialised form by the Resulting

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Company, unless otherwise notified in writing by the equity shareholders of Demerged Company 2 to the Resulting Company on or before such date as may be determined by the Board of the Resulting Company. In the event that: (i) such notice has not been received by the Resulting Company in respect of any of the shareholders of the Demerged Company 2; or (ii) the Applicable Laws require an issuance of the Resulting Company New Equity Shares only in dematerialised form, then the Resulting Company New Equity Shares shall be issued to such shareholders in dematerialised form provided that the shareholders of the Demerged Company 2 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 Resulting Company New Equity Shares, then subject to Applicable Laws, the Resulting Company shall issue the Resulting Company New Equity Shares in physical form to such shareholder or shareholders.

41.4 Resulting Company New Equity Shares to be issued and allotted as above shall rank pari passu to the existing shares comprised in the share capital of the Resulting Company and shall be subject to the Memorandum and Articles of Association of the Resulting Company.

41.5 Resulting Company New Equity Shares to be issued by the Resulting Company pursuant to this Scheme in respect of any equity shares of Demerged Company 2 which are held in abeyance under the 2013 Act or otherwise shall, pending allotment or settlement of dispute by order of a court or otherwise, also be kept in abeyance by the Resulting Company. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Demerged Company 2, the Board of Directors of Demerged Company 2 (or any successor thereof) shall be empowered to take such actions as may be necessary in order to remove any difficulties arising with the transfer of the share in Demerged Company 2 and in relation to the equity shares issued by the Resulting Company pursuant to the Scheme.

41.6 The Resulting Company shall take necessary steps to increase or alter or re-classify, if necessary, its authorized share capital suitably to enable it to issue and allot the equity shares required to be issued and allotted by it under this Scheme.

41.7 The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be due compliance of Section 62 of the 2013 Act and all applicable provisions of the 2013 Act for the issue and allotment of Resulting Company New Equity Shares by the Resulting Company to the shareholders of Demerged Company 2, as provided in this Scheme.

41.8 The equity shares of Demerged Company 2 are presently listed on the Stock Exchanges. The equity shares of the Resulting Company shall therefore also be listed and / or admitted to trading on the Stock Exchanges, where the equity shares of Demerged Company 2 are listed and / or admitted to trading. Accordingly, the Resulting Company shall take steps for listing its equity shares (including Resulting Company New Equity Shares) on the Stock Exchanges in accordance with the Applicable Law including the provisions of the SEBI Circular. The Resulting Company shall also apply to SEBI through Stock Exchanges for seeking relaxation under Rule 19(2)(b) of Securities Contract (Regulation) Rules, 1957.

41.9 The Board of Directors of Resulting Company and Demerged Company 2 shall, if and to the extent required, apply for and obtain any approvals from any Appropriate Authority for the issue and allotment of the New Equity Shares.

41.10 The Resulting Company New Equity Shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given.

41.11 In the event that the Companies restructure their share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Entitlement Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.

41.12 No fractional shares shall be issued by the Resulting Company. In case any shareholder's shareholding in Demerged Company 2 is such that such shareholder becomes entitled to a fraction of an equity share of Resulting Company, the Resulting Company shall not issue fractional shares. In such cases, any fraction shall be rounded off to the next higher integer.

41.13 Post the issue of shares by Resulting Company pursuant to the Scheme, there shall be no change in the shareholding pattern or control in Resulting Company between the Record Date and the listing which may affect the status of the approval by the Stock Exchanges.

42 **ACCOUNTING TREATMENT**

42.1 Upon Part V of the Scheme becoming effective, SAFL shall account for the Demerger 2 in its books as under:

(a) SAFL shall account for the Demerger 2 of Demerged Undertaking 2 in its books of account with effect from the Appointed Date.

(b) All assets, liabilities and statutory reserves (including Debt Redemption Reserves created for Non-Convertible Debentures) of the Demerged Undertaking 2 shall be recorded at their respective book values in the books of SAFL.

The identity of statutory reserves (including Debt Redemption Reserve) of Demerged Undertaking 2, if any, shall be preserved and they shall appear in the financial statements of SAFL in the same form and manner in which they appeared in the financial statements of Amalgamated Company post taking effect of Part IV of the Scheme. Statutory Reserves shall be accounted for by debiting 'Demerger Adjustment A/c.'

(c) Intangible assets, if any (not earlier recorded in the books) shall be recorded, subject to fulfillment of criteria mentioned in AS 26, by SAFL.

(d) SAFL shall record issuance of equity shares at fair value. SAFL shall credit to its Share Capital Account the aggregate of the face value of the equity shares issued on Demerger 2 and the excess, if any, of the fair value of the equity shares over the face value of the shares issued shall be credited to Securities Premium Account.

(e) The excess, if any, of the consideration, viz., fair value of equity shares issued over the value of net assets (including intangible assets, if any) of Demerged Undertaking 2 taken over and recorded, shall be recognised as goodwill in the books of SAFL. In the event the result is negative, it shall be credited to Capital

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Reserve in the books of SAFL. Goodwill and /or intangible assets, if any, shall be recorded on the basis of report obtained from an independent chartered accountant.

(f) Upon the Scheme becoming effective, the amount of Residual Goodwill, if any and Demerger Adjustment A/c as on Appointed Date, shall be adjusted against the balance in securities premium account (including securities premium arising pursuant to the Demerger) of the Resulting Company. The reduction, if any, in the Securities Premium Account of Resulting Company shall be effected as an integral part of the Scheme in accordance with the provisions of Section 52 of Companies Act, 2013.

(g) SAFL shall record in its books of account, all transactions of the Demerged Undertaking 2 in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.

(h) The intangible assets, if any, recorded, as aforesaid, shall be amortized in the books of SAFL over its useful life. Goodwill having underlying Intangible Assets, if any, shall be amortized to income systematically over a period of 5 years.

(i) To the extent that there are inter-company loans, advances, deposits or other obligations as between Demerged Undertaking 2 and SAFL, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of SAFL and SIFL for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, advances, deposits or balances, with effect from the Appointed Date.

(j) Entire costs and expenses (including stamp duty) incurred in connection with this step of the Scheme and to put it into operation and any other expenses or charges incurred for implementing Demerger 2 shall be charged to Profit and Loss Account of SAFL.

(k) In case of any differences in accounting policies between SIFL and SAFL, impact of the same till the Appointed Date will be quantified and the same shall be appropriately adjusted and reported in accordance with applicable accounting rules and principles, so as to ensure that the financial statements of SAFL reflect the financial position on the basis of consistent accounting policies.

(l) The Board of Directors may review the above at any time and adopt any other accounting treatment which is in accordance with Accounting Standards and generally accepted accounting principles as applicable.

42.2 Upon Part V of the Scheme becoming effective, SIFL shall account for the Demerger 2 in its books as under:

(a) SIFL shall reduce in its books, the book value of the assets and liabilities, Statutory Reserves and 'Amalgamation Adjustment A/c' as on Appointed Date pertaining to the Demerged Undertaking 2.

(b) Excess of value of assets over value of liabilities transferred as on Appointed Date

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relating to the Demerged Undertaking 2 will be adjusted against the following, in the order specified, to the extent required: (a) Capital Reserve; (b) Securities Premium; (c) General Reserves; and (d) The balance amount, if any, from Profit & Loss.

(c) The reduction, if any, in the Securities Premium Account of SIFL shall be effected as an integral part of the Scheme in accordance with the provisions of Section 52 of Companies Act, 2013.

(d) Inter-corporate investments, deposits, loans and advances, if any, between SIFL and SAFL relating to the Demerged Undertaking 2 shall stand cancelled and there shall be no further obligation in this behalf.

43 COMPLIANCE WITH SECTION 2(19AA) OF THE INCOME TAX ACT

The provision of this Scheme as they relate to the Demerger 2 complies with the conditions relating to "demerger" as defined and specified under section 2(19AA) of the Income Tax Act. If any terms or provisions or part of this Scheme are found or interpreted to be inconsistent with the provisions of section 2(19AA) of the Income Tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of section 2(19AA) of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with section 2(19AA) of the Income Tax Act and such modifications shall not affect other parts of the Scheme.

44 DATE OF EFFECTIVENESS OF PART V OF THE SCHEME

This Part V of the Scheme shall come into effect from Effective Date.

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45 REDUCTION OF SECURITIES PREMIUM IN RESULTING COMPANY & DERMERGED COMPANY 2

The reduction in the securities premium account of the Resulting Company and Demerged Company 2, shall be effected as an integral part of the Scheme in accordance with provisions of sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013 and accordingly the NCLT Sanction Order shall be deemed to be also the order under section 66 and other relevant provisions of 2013 Act for the purpose of confirming such reduction of securities premium account. The reduction of securities premium account as aforesaid would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and as such the provisions of section 66 of the 2013 Act or the other relevant provisions of the 2013 Act will not be applicable. Notwithstanding the reduction in the securities premium of the Resulting Company, the Resulting Company and Demerged Company 2 shall not be required to add "And Reduced" as suffix to its name

46 FUND RAISING

Subject to Board and shareholders' approvals as may be required, SEFL intends to raise funds (through appropriate instruments) up to Rs. 5,00,00,00,000 (Rupees Five Hundred Crores). If such funds are raised in the intervening period, before approval of the Scheme by NCLT, modifications, as may be necessary, shall be carried out in the Scheme in accordance of the Applicable Laws.

47 LISTING REGULATIONS AND SEBI COMPLIANCE

47.1 On approval of the scheme by Hon'ble NCLT, the Resulting Company shall apply for listing and trading permissions of its equity shares and New Non-Convertible Debentures to the BSE and NSE and comply with Applicable Laws in this regard.

47.2 SIFL being a listed company, shall comply with all requirements under the Listing Regulations in so far as they relate to sanction and implementation of this Scheme including the provisions of the SEBI Circular. Under the Scheme, no arrangement is sought to be entered into between SIFL and its debenture holder. No rights of the debenture holder of SIFL are being affected pursuant to this Scheme. The debenture trustee appointed for debentures issued by SIFL shall continue to remain the debenture trustee.

47.3 SIFL shall, in compliance with Regulation 37 of the Listing Regulations apply for approval of the BSE and NSE in terms of the SEBI Circular before approaching the NCLT for the sanction of the Scheme.

48 APPLICATION TO NCLT

All companies which are parties to this Scheme shall as may be required make applications and / or petitions under Sections 230 to 232 of the 2013 Act read with Section 52 and Section 66 of the 2013 Act and other applicable provisions of the 2013 Act before the NCLT, for sanction of this Scheme and all matters ancillary or incidental thereto.

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49 **DIVIDEND**

49.1 During the pendency of the Scheme, SIFL, SEFL and SAFL shall be entitled to declare and pay dividend, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.

49.2 The shareholders of SIFL, SEFL and SAFL shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

49.3 For avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent SIFL from issuing fully paid up bonus equity shares to its shareholders in accordance with Applicable Law.

49.4 It is clarified that the aforesaid provisions in respect of declaration of dividend are enabling provisions only and shall not be deemed to confer any right on the shareholders of SIFL, SEFL and SAFL to demand or claim any dividend which, subject to the provisions of the 2013 Act, as applicable, shall be entirely at the discretion of the Board of Directors of respective companies, subject to such approval of the shareholders, as may be required.

50 **MODIFICATIONS OR AMENDMENTS TO THE SCHEME**

50.1 All companies which are parties to this Scheme by their respective Board of Directors may assent to any modifications / amendments to the Scheme or to any conditions or limitations that the NCLT and / 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) subject to the approval of the NCLT and/ or any other Appropriate Authority under Applicable Law and/or effect any other modification or amendment under Applicable Law jointly and mutually agreed by the Board of Directors. All companies which are parties to this Scheme by their respective Board of Directors be and are hereby 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 orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and / or in any matter concerned or connected therewith.

50.2 In the event any of the conditions that may be imposed by the NCLT and/ or any other Appropriate Authority, while sanctioning the Scheme, which the Board of Directors may find unacceptable for any reason, then the parties to this Scheme are at liberty to withdraw from this Scheme.

51 **CONDITIONALITY OF THE SCHEME**

This Scheme is and shall be conditional upon and subject to:

51.1 The requisite consents, approvals or permissions of any governmental or regulatory authority, which by Applicable Law may be necessary for the implementation of this Scheme.

51.2 The Allotment of Certificate of Registration by RBI to SAFL for carrying out business of Non-Banking Financial Company under "Asset Finance Company" category as per RBI Act, 1934 and rules and regulations made thereunder.

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51.3 The Scheme being approved by the requisite majorities in number and value of the members and / or creditors, as applicable, of SIFL, SEFL and SAFL as may be directed by the Hon'ble NCLT or any other competent authority, as may be applicable, subject to any dispensation that may be granted by the NCLT.

51.4 The Scheme being approved by the Stock Exchanges under Regulation 37 of the Listing Regulations.

51.5 The Scheme being approved by a shareholders' resolution of SIFL by way of e-voting in terms of para I(A)(9)(a) of Annexure I of SEBI Circular; provided that the said resolution shall be acted upon only if the votes cast by the public shareholders of SIFL in favour of the proposal are more than the number of votes cast by the public shareholders against it.

51.6 The sanction of the Scheme by the NCLT under Sections 230 to 232 of the 2013 Act; and

51.7 Certified copies of the orders of the NCLT being filed with the Registrar of Companies, by SIFL, SEFL and SAFL.

52 **EFFECT OF NON-RECEIPT OF APPROVALS**

In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and / or the Scheme not being sanctioned by the NCLT and / or the order not being passed by NCLT as aforesaid before December 31, 2020 or within such further period or periods as may be agreed upon by the Board of Directors of the companies which are parties to the Scheme, this Scheme shall stand revoked, cancelled 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.

53 **COSTS, CHARGES AND EXPENSES**

53.1 In the event of the Scheme not being sanctioned by the NCLT, 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.

53.2 Subject to Clause 53.1 above, all costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by SEFL.

54 **OPERATIONAL SEQUENCE OF THE SCHEME**

Upon the sanction of the Scheme and it becoming effective, the different transactions envisaged under the Scheme shall be operative in the following sequence:

a) Demerger of Demerged Undertaking 1 from Demerged Company 1 into Resulting Company, in terms of Part III of this Scheme;

b) Amalgamation of Amalgamating Undertaking from Amalgamating Company with Amalgamated Company, in terms of Part IV of this Scheme;

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c) Demerger of the Demerged Undertaking 2 of Demerged Company 2 into Resulting Company, in terms of Part V of this Scheme;

55 WHEN THE SCHEME COMES INTO OPERATION AND ITS PARTS GIVEN EFFECT TO

55.1 Part III, Part IV and Part V of this Scheme shall be implemented on the Effective Date and sequentially, i.e. Part III will be first implemented & followed by Part IV and Part IV shall be followed by Part V in terms of the respective parts of the Scheme. Upon such implementation, the said Part III, Part IV & Part V of this Scheme shall come into operation from the Appointed Date.

55.2 Resulting Company shall carry on and shall be authorized to carry on, with effect from the Effective Date, the business pertaining to Demerged Undertakings. For the purposes of giving effect to the sanction of the Scheme by NCLT, Resulting Company and Amalgamated Company shall at any time pursuant to such order be entitled to get the recordal of change in the legal right(s) upon the Demerger of Demerged Undertakings and Amalgamation of Amalgamating Company respectively, in accordance with the provisions of the sections 230 to 232 and/or the other applicable provision of the 2013 Act, as case may be. Resulting Company and Amalgamated Company are and shall always be deemed to have been authorized to execute any pleadings, applications, forms as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of the Scheme.

55.3 Resulting Company and Amalgamated Company shall be entitled to, amongst others, file/ or revise its income tax returns, TDS/TCS returns, service tax, goods and service tax, excise duty, sales tax, value added tax, entry tax, cess, professional tax or any other statutory returns, if required, credit for advance tax paid, tax deducted at source, claim for sum prescribed under section 43B of the Income Tax Act on payment basis, deduction u/s 36(1)(viii), deduction u/s 36(1)(viia), claim for deduction of provisions written back by Resulting Company and Amalgamated Company previously disallowed in the hands of Demerged Company 1 & Demerged Company 2 (pertaining to Demerged Undertakings) and Amalgamating Company respectively under the Income Tax Act, credit of tax under section 115JB read with section 115JAA of the Income Tax Act, credit of foreign taxes paid/ withheld, if any, pertaining to Demerged Company 1 & Demerged Company 2 (pertaining to Demerged Undertakings), and Amalgamating Company respectively as may be required consequent to implementation of this Scheme and where necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum. Resulting Company and Amalgamated Company shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to the income or transactions entered into by them by virtue of this Scheme with effect from Appointed Date. The taxes or duties paid by, for, or on behalf of, Demerged Undertakings and Amalgamating Company relating to the period on or after Appointed Date, shall be deemed to be the taxes or duties paid by Resulting Company and Amalgamated Company respectively and Resulting Company and Amalgamated Company shall be entitled to claim credit or refund for such taxes or duties.

55.4 Any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with Demerged Company 1 & Demerged Company 2 (pertaining to Demerged Undertakings) and Amalgamating Company, including any taxes paid and taxes deducted at source and deposited by Demerged Company 1 & Demerged Company 2 (pertaining to Demerged Undertakings), and Amalgamating Company on inter se transactions during the

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period between Appointed Date and the Effective Date, shall be treated as tax paid by Resulting Company and Amalgamated Company respectively and shall be available to Resulting Company and Amalgamated Company for set-off against its liability under the Income Tax Act and any excess tax so paid shall be eligible for refund together with interest. Further, TDS deposited, TDS certificates issued or TDS returns filed by Demerged Company 1 & Demerged Company 2 (pertaining to Demerged Undertakings) and Amalgamating Company on transactions other than inter se transactions during the period between Appointed Date and the Effective Date, as applicable, shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by Resulting Company and Amalgamated Company respectively. Any TDS deducted by, or on behalf of, Demerged Company 1 & Demerged Company 2 (pertaining to Demerged Undertakings) and Amalgamating Company on inter se transactions will be treated as tax deposited by Resulting Company and Amalgamated Company respectively.

55.5 Transfer and vesting of Demerged Undertaking 1 in terms of Part III of the Scheme, Amalgamating Company in terms of Part IV of the Scheme and Demerged Undertaking 2 in terms of Part V of the Scheme is not a sale in the course of business.

56 SEVERABILITY

If any provision or part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of the companies which are parties to this Scheme, affect the validity or implementation of the other provisions and parts of this Scheme.

In the event of any inconsistency between any of the terms and conditions of any earlier arrangement amongst the companies which are parties to this Scheme and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall have overriding effect and shall prevail.

Certified To Be True Copy
Srei Infrastructure Finance Ltd.

Sandeep K. Lakhotia

Company Secretary