

**COMPOSITE SCHEME OF ARRANGEMENT**

**AMONGST**

**RELIANCE JIO INFOCOMM LIMITED**

**AND**

**JIO DIGITAL FIBRE PRIVATE LIMITED**

**AND**

**RELIANCE JIO INFRATEL PRIVATE LIMITED**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

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

## A. BACKGROUND OF THE COMPANIES

- (i) Reliance Jio Infocomm Limited is a company incorporated under the provisions of the Companies Act, 1956 having its registered office at Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006 (hereinafter referred to as the “**Demerged Company**” or “**Transferor Company**” or “**Demerged/ Transferor Company**”). The Demerged/ Transferor Company *inter alia* has the following undertakings: (a) digital services undertaking; (b) optic fibre cable undertaking; and (c) tower infrastructure undertaking. The non-convertible debentures of the Demerged/ Transferor Company are listed on BSE Limited and National Stock Exchange of India Limited.
- (ii) Jio Digital Fibre Private Limited is a company incorporated under the provisions of the Companies Act, 2013, having its registered office at Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006 (hereinafter referred to as the “**Resulting Company**”). The Resulting Company has been incorporated to carry on the business of setting up, operating and managing the optic fibre cable undertaking.
- (iii) Reliance Jio Infratel Private Limited is a company incorporated under the provisions of the Companies Act, 1956, having its registered office at Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006 (hereinafter referred to as the “**Transferee Company**”). The Transferee Company shall carry on the business of setting up, operating and managing the tower infrastructure undertaking.

## B. RATIONALE OF THE SCHEME

- (i) The Demerged/ Transferor Company has *inter alia* the digital services undertaking, the optic fibre cable undertaking and the tower infrastructure undertaking.
- (ii) Each of the above undertakings have a differentiated strategy, different industry specific risks and operate *inter alia* under different market dynamics and growth trajectory. The nature and competition involved in each of the businesses is distinct from the others and consequently each business or undertaking is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders.
- (iii) The transfer and vesting of the Demerged Undertaking (*as defined hereinafter*) and the Transferred Undertaking (*as defined hereinafter*) from the Demerged/ Transferor Company to the Resulting Company and the Transferee Company respectively, pursuant to this Scheme (*as defined hereinafter*) would, *inter alia*, result in the following benefits for the Demerged/ Transferor Company and the Resulting Company and the Transferee Company:
  - (a) segregation and unbundling of the optic fibre cable undertaking and tower infrastructure undertaking of the Demerged/ Transferor Company into the Resulting Company and the Transferee Company respectively, will enable enhanced focus by the Demerged/ Transferor Company, Resulting Company and the Transferee Company on exploiting opportunities in their respective businesses;

- (b) operating as separate businesses which are capable of providing services to third-parties;
  - (c) attracting different sets of investors, strategic partners, lenders and other stakeholders having a specific interest in the respective businesses;
  - (d) assisting in the de-leveraging of the balance sheet of the Demerged/ Transferor Company including reduction of debt and outflow of interest as well as creation of value for its shareholders; and
  - (e) unlocking the value of the optic fibre cable undertaking and tower infrastructure undertaking for the shareholders of the Demerged/ Transferor Company.
- (iv) The Preference Shares (*as defined hereinafter*) issued by the Demerged/ Transferor Company are either redeemable or convertible at the option of the Demerged/ Transferor Company. The Demerged/ Transferor Company has now decided that the Preference Shares (*as defined hereinafter*), which have financed the creation of the assets of various undertakings of the Demerged/ Transferor Company, will not be converted into equity shares. In terms of the Scheme, the Preference Share Capital (*as defined hereinafter*) and the Securities Premium (*as defined hereinafter*) is proposed to be reduced such that there is a constructive receipt of an identical amount as loan from the preference shareholders to the Demerged/ Transferor Company.

The Scheme is in the best interests of the shareholders, employees and the creditors of each of the Demerged/ Transferor Company, the Resulting Company and the Transferee Company.

### C. OVERVIEW AND OPERATION OF THE SCHEME

The composite scheme of arrangement ("**Scheme**") amongst the Demerged/ Transferor Company, the Resulting Company and the Transferee Company and their respective shareholders and creditors is presented under Sections 230 to 232 read with Section 52 and other applicable provisions of the Act (*as defined hereinafter*) read with Section 2(19AA) and other applicable provisions of the Income Tax Act (*as defined hereinafter*).

This Scheme provides for:

- (i) cancellation of the Preference Shares and reduction of the Preference Share Capital and the Securities Premium such that there will be constructive payment to the holders of the Preference Shares and a constructive receipt of an identical amount as loan from the holders of the Preference Shares to the Demerged/ Transferor Company for the purpose of refinancing part of the expenditure incurred in respect of the optic fibre cable undertaking to the extent of INR 45342,00,00,000 ("**Loan 1**"), the tower infrastructure undertaking to the extent of INR 11836,00,00,000 ("**Loan 2**") and in respect of other businesses to the extent of INR 7822,00,00,000 ("**Loan 3**");
- (ii) demerger of the Demerged Undertaking from the Demerged Company and its transfer to and vesting into the Resulting Company on a *going concern* basis and discharge of consideration in lieu thereof; and
- (iii) transfer and vesting of the Transferred Undertaking from the Transferor Company into the Transferee Company on a *going concern* basis and discharge of lump sum

consideration in lieu thereof.

#### **D. PARTS OF THE SCHEME**

The Scheme is divided into the following parts:

- (i) **PART I** deals with the definitions of capitalized terms used in this Scheme and the details of the share capital of the Demerged/ Transferor Company, the Resulting Company and the Transferee Company;
- (ii) **Part II** deals with the reduction of Preference Share Capital and Securities Premium of the Demerged/ Transferor Company;
- (iii) **PART III** deals with the transfer and vesting of the Demerged Undertaking from the Demerged Company as a *going concern* into the Resulting Company and discharge of consideration in lieu thereof, in compliance with Section 2(19AA) of Income Tax Act;
- (iv) **PART IV** deals with the transfer and vesting of the Transferred Undertaking from the Transferor Company as a *going concern* into the Transferee Company and discharge of consideration in lieu thereof; and
- (v) **PART V** deals with the general terms and conditions that would be applicable to this Scheme.

### **PART I**

#### **DEFINITIONS AND SHARE CAPITAL**

##### **1. DEFINITIONS**

- 1.1 In this Scheme, unless inconsistent with the subject or context thereof (i) capitalised terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; (ii) all terms and words not defined in this Scheme shall have the meaning ascribed to them under the relevant Applicable Laws; and (iii) the following expressions shall have the meanings ascribed hereunder:

**“Act”** means the Companies Act, 2013, to the extent of the provisions notified, and the Companies Act, 1956, to the extent of its provisions in force;

**“Appointed Date”** means close of business hours of 31 March 2019 or such other date as may be approved by the Tribunal and agreed to by the Board of the Parties;

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

**“Appropriate Authority”** means:

- (a) the government of any jurisdiction (including any national, state, municipal or local

government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, tribunal, central bank, commission or other authority thereof;

- (b) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities; and
- (c) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing, exporting or other governmental or quasi-governmental authority;

**“Board”** in relation to the Demerged/ Transferor Company, the Resulting Company and the Transferee Company, as the case may be, means the board of directors of such company, and shall include a committee of directors or any person authorized by such board of directors or such committee of directors duly constituted and authorized for the purposes of matters pertaining to this Scheme or any other matter relating thereto;

**“Demerged Company”** or **“Transferor Company”** or **“Demerged/ Transferor Company”** means Reliance Jio Infocomm Limited, a company incorporated under the provisions of the Companies Act, 1956, having its registered office at Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006;

**“Demerged Undertaking”** means all of the optic fibre cable undertaking and ancillary and support services together with all business units, undertakings, assets, properties, investments (direct and indirect), and liabilities of whatsoever nature and kind, and wherever situated, of the Demerged Company, in relation to and pertaining to the optic fibre cable undertaking and shall include without limitation:

- (a) all assets and liabilities of the Demerged Company pertaining to the optic fibre cable undertaking and includes, without limitation, any and all optic fibre cable and related infrastructure being laid. For the avoidance of doubt, it is clarified that the last mile connectivity infrastructure from the manhole to any node (such as customer node, enterprise node and telecom service provider node) will not form part of the optic fibre cable undertaking;
- (b) without prejudice to the generality of the provisions of (a) above, the Demerged Undertaking shall include:
  - (i) all properties and assets of the Demerged Company, including all movable or immovable, freehold, leasehold or licensed, tenancy rights, hire purchase and lease arrangements, real or personal, corporeal or incorporeal or otherwise, present, future, contingent, tangible or intangible, but not limited to optical fibre cables, high density polyethylene duct, inside spiral ribbed duct, joint closure, end plug, simple plug, push fit coupler, double wall corrugated duct coupler and associated capital costs, security deposits, capital work in progress, easmentary rights, rights of way associated with laying and operationalising such infrastructure and every associated right in relation to the optic fibre cable undertaking, plant and machinery, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, all stocks, sundry debtors, deposits, provisions, advances, recoverables, receivables, title, interest, cash and bank balances, bills of

exchange, covenants, all earnest monies, security deposits, or other entitlements, funds, powers, authorities, licences, registrations, quotas, allotments, consents, privileges, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, fiscal incentives, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Demerged Company with respect to the optic fibre cable undertaking. For the avoidance of doubt, it is clarified that all electronic and optical equipment and facilities (including passive equipment) will not form part of the optic fibre cable undertaking;

- (ii) all contracts, agreements, schemes, arrangements and any other instruments for the purpose of carrying on the business of the optic fibre cable undertaking including contracts for laying and establishing of ducts, optic fibre cable and other assets pertaining to the optic fibre cable undertaking;
  - (iii) all tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under Tax Laws including sales tax deferrals and minimum alternate tax paid under section 115JA/115JB of the Income Tax Act, advance taxes, tax deducted at source, right to carry forward and set-off accumulated losses and unabsorbed depreciation, if any, deferred tax assets, minimum alternate tax credit, goods and service tax credit, deductions and benefits under the Income Tax Act or any other taxation statute enjoyed by the Transferor Company with respect to the optic fibre cable undertaking; and
  - (iv) all debts, borrowings and liabilities (including Loan 1), whether present, future or contingent or deferred tax liabilities, whether secured or unsecured, of the optic fibre cable undertaking including but not limited to all other debts, duties, obligations and liabilities pertaining to the optic fibre cable undertaking whether specifically taken or refinanced or apportioned out of common loan of the Demerged Company for its transfer as a going concern to the Resulting Company.
- (c) all Permits, licences, approvals, registrations, quotas, incentives, powers, authorities, allotments, consents, rights, benefits, advantages, municipal permissions, trademarks, designs, copyrights, patents and other intellectual property rights of the Demerged Company pertaining to its optic fibre cable undertaking, whether registered or unregistered and powers of every kind, nature and description whatsoever, whether from the government bodies or otherwise, pertaining to or relating to the optic fibre cable undertaking;
  - (d) entire experience, credentials, past record and market share of the Demerged Company pertaining to the optic fibre cable undertaking;
  - (e) all books, records, files, papers, engineering and process information, computer programs, software licenses (whether proprietary or otherwise), 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 the optic fibre cable undertaking; and
  - (f) all employees of the Demerged Company engaged in the optic fibre cable

undertaking;

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

**“Effective Date”** means the day on which Scheme is approved by the Tribunal or the Appointed Date, whichever is later. Reference in this Scheme to the date of **“coming into effect of this Scheme”** or **“effectiveness of this Scheme”** or **“upon the Scheme becoming effective”** shall mean the Effective Date;

**“Encumbrance”** means (a) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (b) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, transfer, receipt of income or exercise; or (c) any hypothecation, title retention, restriction, power of sale or other preferential arrangement; or (d) any agreement to create any of the above; and the term **“Encumber”** shall be construed accordingly;

**“Existing Equity Shares – Resulting Company”** means the equity shares of the Resulting Company in existence on the date immediately preceding the Effective Date;

**“Existing Equity Shares – Transferee Company”** means the equity shares of the Transferee Company in existence on the date immediately preceding the Effective Date;

**“Income Tax Act”** means the Income-tax Act, 1961;

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

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

**“Permits”** means all consents, licences, permits, certificates, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory, regulatory or otherwise as required under Applicable Law and includes all rights of way associated with laying and operationalising of infrastructure for the optic fibre cable undertaking under Applicable Law or otherwise;

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

**“Preference Share Capital”** means the preference share capital of the Demerged/ Transferor Company aggregating to INR 13000,00,00,000 (Indian Rupees Thirteen Thousand Crore) divided into:

- (a) INR 3000,00,00,000 (Indian Rupees Three Thousand Crore) represented by 300,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-II);
- (b) INR 6000,00,00,000 (Indian Rupees Six Thousand Crore) represented by 600,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-III); and

- (c) INR 4000,00,00,000 (Indian Rupees Four Thousand Crore) represented by 400,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-IV);

**“Preference Shares”** means the following preference shares of the Demerged/ Transferor Company existing on the date on which this Scheme is approved by the Board of the Demerged Company/ Transferor Company:

- (a) 300,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-II);
- (b) 600,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-III); and
- (c) 400,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-IV);

**“Remaining Business”** means all the business, units, divisions, undertakings, and assets and liabilities of the Demerged Company (including the digital services undertaking) other than the Demerged Undertaking and the Transferred Undertaking;

**“Remaining Preference Shares”** means 12,50,00,000 0.1% non-cumulative optionally convertible preference shares of INR 10 each (Series-I) of the Demerged/ Transferor Company;

**“Resulting Company”** means Jio Digital Fibre Private Limited, a company incorporated under the provisions of the Companies Act, 2013, having its registered office at Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006 and Corporate Identification Number U64200GJ2018PTC105652;

**“Resulting Company Class ‘A’ Equity Shares”** means the equity shares of the Resulting Company having face value of INR 1 (Indian Rupee One) each to be issued by the Resulting Company pursuant to this Scheme and having such rights and on such terms, as may be mutually agreed between the Demerged Company and the Resulting Company which shall be incorporated in the articles of association of the Resulting Company;

**“Resulting Company Class ‘B’ Equity Shares”** means the equity shares of the Resulting Company having face value of INR 10 (Indian Rupees Ten) each to be issued by the Resulting Company pursuant to this Scheme and having such rights and on such terms, as may be mutually agreed between the Demerged Company and the Resulting Company which shall be incorporated in the articles of association of the Resulting Company;

**“Resulting Company Preference Shares – A”** means the preference shares of the Resulting Company having face value of INR 10 (Indian Rupees Ten) each to be issued by the Resulting Company pursuant to this Scheme and having such rights and on such terms, as may be mutually agreed between the Demerged Company and the Resulting Company which shall be incorporated in the articles of association of the Resulting Company;

**“Resulting Company Preference Shares – B”** means the preference shares of the Resulting Company having face value of INR 10 (Indian Rupees Ten) each to be issued by the Resulting Company pursuant to this Scheme and having such rights and on such terms, as may be mutually agreed between the Demerged Company and the Resulting Company which shall be incorporated in the articles of association of the Resulting Company;



**“RoC”** means the Registrar of Companies having jurisdiction over the Demerged/ Transferor Company, the Resulting Company and the Transferee Company, as the case may be;

**“Securities Premium”** means the securities premium recorded in the books of accounts of the Demerged/ Transferor Company on the issuance of the Preference Shares aggregating to INR 52000,00,00,000 (Indian Rupees Fifty Two Thousand Crore) as follows:

- (a) INR 12000,00,00,000 (Indian Rupees Twelve Thousand Crore) on 300,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-II) at a premium of INR 40 each;
- (b) INR 24000,00,00,000 (Indian Rupees Twenty Four Thousand Crore) on 600,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-III) at a premium of INR 40 each; and
- (c) INR 16000,00,00,000 (Indian Rupees Sixteen Thousand Crore) on 400,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-IV) at a premium of INR 40 each;

**“Scheme”** or **“this Scheme”** means this composite scheme of arrangement as modified from time to time;

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

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

**“Transferee Company”** means Reliance Jio Infratel Private Limited, a company incorporated under the provisions of the Companies Act, 1956, having its registered office at Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006;

**“Transferee Company Class ‘A’ Equity Shares”** means the equity shares of the Transferee Company having face value of INR 1 (Indian Rupee One) each to be issued by the Transferee Company pursuant to this Scheme and having such rights, and on such terms, as may be mutually agreed between the Transferor Company and the Transferee Company which shall be incorporated in the articles of association of the Transferee Company;

**“Transferee Company Class ‘B’ Equity Shares”** means the equity shares of the Transferee Company having face value of INR 10 (Indian Rupees Ten) each to be issued by the Transferee Company pursuant to this Scheme and having such rights, and on such terms, as may be mutually agreed between the Transferor Company and the Transferee Company which shall be incorporated in the articles of association of the Transferee Company;

**“Transferee Company Preference Shares”** means the preference shares of the Transferee

Company having face value of INR 10 (Indian Rupees Ten) each to be issued by the Transferee Company pursuant to this Scheme and having such rights and on such terms, as may be mutually agreed between the Transferor Company and the Transferee Company which shall be incorporated in the articles of association of the Transferee Company;

**“Transferred Undertaking”** means all of the tower infrastructure undertaking and ancillary and support services together with all business units, undertakings, assets, properties, investments (direct and indirect), and liabilities of whatsoever nature and kind, and wherever situated, of the Transferor Company, in relation to and pertaining to the tower infrastructure undertaking and shall include without limitation:

- (a) all assets and liabilities of the Transferor Company pertaining to wireless and broadcast towers and tower sites, present and future, that host or assist in the operation of plant and equipment used for transmitting telecommunication signals, being towers and tower sites situated in India that are owned by or vested in the Transferor Company and include, without limitation, any and all towers under construction;
- (b) Without prejudice to the generality of the provisions of (a) above, the Transferred Undertaking shall include:
  - (i) all properties and assets of the Transferor Company, including all movable or immovable, freehold, leasehold or licensed, tenancy rights, hire purchase and lease arrangements, real or personal, corporeal or incorporeal or otherwise, present, future, contingent, tangible or intangible properties and assets pertaining to the tower infrastructure undertaking but not limited to, electricity power connections, utilities, diesel generator sets, batteries, power management systems, air conditioners, shelters and all associated civil and electrical works and associated capital costs, security deposits, capital work in progress, easementary rights associated with operationalising such infrastructure and every associated right of the tower infrastructure undertaking, furniture, fixtures, office equipment, appliances, accessories, vehicles, all stocks, sundry debtors, deposits (including, without limitation, deposits placed with landlords, electricity boards and transmission companies), provisions, advances, recoverables, receivables, funds, leases, licences, tenancy rights, premises, hire purchase and lease arrangements, powers, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, fiscal incentives, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Transferor Company with respect to the tower infrastructure undertaking;
  - (ii) all contracts, agreements, schemes, arrangements and other instruments for the purpose of carrying on the business of the tower infrastructure undertaking including for contracts for the construction and establishment of telecommunications towers and other assets pertaining to the tower infrastructure undertaking;
  - (iii) all tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under Tax Laws including sales tax deferrals and minimum alternate tax paid under section 115JA/115JB of the Income Tax Act, advance taxes, tax

deducted at source, right to carry forward and set-off accumulated losses and unabsorbed depreciation, if any, deferred tax assets, minimum alternate tax credit, goods and service tax credit, deductions and benefits under the Income Tax Act or any other taxation statute enjoyed by the Transferor Company with respect to the tower infrastructure undertaking;

- (iv) all debts, borrowings and liabilities (including Loan 2), whether present or future or contingent or deferred tax liabilities, whether secured or unsecured, of the tower infrastructure undertaking, including but not limited to all other debts, duties, obligations and liabilities including contingent liabilities pertaining to the tower infrastructure undertaking whether specifically taken or refinanced or apportioned out of common loan of the Transferor Company for its transfer as a going concern to the Transferee Company;
- (c) all Permits, licences, approvals, registrations, quotas, incentives, powers, authorities, allotments, consents, rights, benefits, advantages, municipal permissions, trademarks, designs, copyrights, patents and other intellectual property rights of the Transferor Company pertaining to its tower infrastructure undertaking, whether registered or unregistered and powers of every kind, nature and description whatsoever, whether from the government bodies or otherwise, pertaining to or relating to the tower infrastructure undertaking;
- (d) entire experience, credentials, past record and market share of the Transferor Company pertaining to the tower infrastructure undertaking;
- (e) all books, records, files, papers, engineering and process information, computer programs, software licenses (whether proprietary or otherwise), 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 the tower infrastructure undertaking;
- (f) all employees of the Transferor Company engaged in the tower infrastructure undertaking; and
- (g) all earnest monies, security deposits, or other entitlements, if any, in connection with or relating to the tower infrastructure undertaking.

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

**“Tribunal”** means the relevant bench of the National Company Law Tribunal having jurisdiction over the Demerged/ Transferor Company, the Resulting Company and the Transferee Company, respectively; and

**“Undertakings”** means the Demerged Undertaking and the Transferred Undertaking, collectively.

## 1.2 In this Scheme, unless the context otherwise requires:

- 1.2.1 words denoting the singular shall include the plural and *vice versa* and words denoting any gender shall include all genders;

- 1.2.2 headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information and convenience only and shall not form part of the operative provisions of this Scheme and shall be ignored in construing the same;
- 1.2.3 the words “include” and “including” are to be construed without limitation;
- 1.2.4 reference to a clause, paragraph or schedule is a reference to a clause, paragraph or schedule of this Scheme;
- 1.2.5 reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement, re-enactment, restatement or amendment of, that law or legislation or regulation and shall include the rules and regulations thereunder; and
- 1.2.6 references to days, months and years are to calendar days, calendar months and calendar years, respectively.

## 2. SHARE CAPITAL

- 2.1 The share capital structure of the Demerged/ Transferor Company as on 31 December 2018 is as follows:

Particulars	INR
<b>Authorised Share Capital</b>	
5700,00,00,000 equity shares of INR 10 each	57000,00,00,000
1313,00,00,000 preference shares of INR 10 each	13130,00,00,000
<b>Total</b>	<b>70130,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
4500,00,00,000 equity shares of INR 10 each	45000,00,00,000
12,50,00,000 0.1% non-cumulative optionally convertible preference shares of INR 10 each (Series-I)	125,00,00,000
300,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-II)	3000,00,00,000
600,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-III)	6000,00,00,000
400,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-IV)	4000,00,00,000
<b>Total</b>	<b>58125,00,00,000</b>

- 2.2 The share capital structure of the Resulting Company as on 31 December 2018 is as follows:

Particulars	INR
<b>Authorised Share Capital</b>	
1,00,000 equity shares of INR 10 each	10,00,000
<b>Total</b>	<b>10,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
10,000 equity shares of INR 10 each	1,00,000
<b>Total</b>	<b>1,00,000</b>

- 2.3 The share capital structure of the Transferee Company as on 31 December 2018 is as follows:

Particulars	INR
<b>Authorised Share Capital</b>	
10,00,000 equity shares of INR 10 each	1,00,00,000
<b>Total</b>	<b>1,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
10,00,000 equity shares of INR 10 each	1,00,00,000
<b>Total</b>	<b>1,00,00,000</b>

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

- 3.1 This Scheme in its present form or with any modification(s), as may be approved or imposed or directed by the Tribunal or made as per Clause 28 of this Scheme, shall become effective from the Appointed Date but shall be operative from the Effective Date.

## **PART II**

### **REDUCTION OF PREFERENCE SHARE CAPITAL AND SECURITIES PREMIUM OF THE DEMERGED/ TRANSFEROR COMPANY**

#### **4. REDUCTION OF PREFERENCE SHARE CAPITAL AND SECURITIES PREMIUM OF THE DEMERGED/ TRANSFEROR COMPANY**

- 4.1 On Part II of the Scheme becoming effective and with effect from the Appointed Date, the Preference Share Capital and the Securities Premium will stand reduced, extinguished and cancelled without any further act, instrument or deed.
- 4.2 The liability on cancellation of Preference Shares and reduction of the Preference Share Capital and the Securities Premium shall be discharged by means of constructive payment of an amount equivalent to the Preference Share Capital and the Securities Premium to the holders of the Preference Shares. Further, there will be a constructive receipt of an equivalent amount as loan from the holders of the Preference Shares to the Demerged Company and the same shall be deemed to be for the purpose of refinancing part of the expenditure incurred in respect of the Demerged Undertaking to the extent of Loan 1, the Transferred Undertaking to the extent of Loan 2 and the Remaining Business to the extent of Loan 3. The terms and conditions of such loans shall be mutually agreed between the Demerged/ Transferor Company and the holders of the Preference Shares. It is clarified that there shall be no change and/ or reduction in the authorised share capital of the Demerged/ Transferor Company pursuant to the reduction and cancellation of the Preference Share Capital.
- 4.3 On effecting the reduction of the Preference Share Capital, the share certificates in respect of the Preference Shares held by the holders of Preference Shares shall also be deemed to have been cancelled.
- 4.4 Pursuant to the cancellation of the Preference Shares as stated in Clause 4.1 above, any arrears of dividend on the Preference Shares or any other liability, whether present or contingent, of the Demerged/ Transferor Company pertaining to the Preference Shares shall, upon the Scheme being effective, abate and there shall be no liability of the Demerged/ Transferor Company in respect of the Preference Shares so cancelled.
- 4.5 The reduction of the Preference Share Capital and the Securities Premium of the Demerged/ Transferor Company shall be effected as an integral part of this Scheme itself, without having to follow the process under Section 66 of the Act separately, and the order of the Tribunal

sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction.

- 4.6 Notwithstanding the reduction of the Preference Share Capital and the Securities Premium of the Demerged/ Transferor Company, the Demerged/ Transferor Company shall not be required to add “And Reduced” as suffix to its name.
- 4.7 This Part of the Scheme does not envisage transfer or vesting of any of the properties and/ or liabilities of the Demerged/ Transferor Company to or in any Person and consequently, the order of the Tribunal to the extent of this Part of the Scheme will not attract any stamp duty.
- 4.8 The Demerged/ Transferor Company submits that the proposed reduction of the Preference Share Capital and the Securities Premium is in conformity with and does not violate or circumscribe any provision of the Act.

## **5. NO FRACTIONAL ENTITLEMENTS**

It is clarified that the reduction of Preference Share Capital and the Securities Premium shall not cause any holder of Preference Shares to hold any fractional shares in the Demerged/ Transferor Company.

## **6. EMPLOYEES**

The employees of the Demerged/ Transferor Company shall not be affected in any manner by the proposed reduction of the Preference Share Capital and the Securities Premium.

## **7. ACCOUNTING TREATMENT ON REDUCTION OF PREFERENCE SHARE CAPITAL AND THE SECURITIES PREMIUM**

- 7.1 Upon effectiveness of Part II of the Scheme, the Demerged Company in respect of reduction of Preference Share Capital and Securities Premium and cancellation of Preference Shares shall:
  - 7.1.1 debit the issued, subscribed and paid-up Preference Share Capital in its books of accounts with the aggregate face value of Preference Shares cancelled pursuant to Clause 4.1 of the Scheme by way of constructive payment to the holders of Preference Shares;
  - 7.1.2 debit its Securities Premium on reduction of the Securities Premium pursuant to Clause 4.1 of the Scheme by way of constructive payment to the holders of Preference Shares; and
  - 7.1.3 credit the sum of (i) aggregate face value of the Preference Share cancelled; and (ii) the aggregate of debit to the Securities Premium account, by way of constructive receipt of an amount towards Loan 1, Loan 2 and Loan 3.

## **PART III**

### **DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING**

## **8. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING**

- 8.1 Immediately upon Part II of this Scheme becoming effective and implementation thereof and

with effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to Sections 230 to 232 of the Act, and in accordance with Section 2(19AA) of the Income Tax Act, the Demerged Undertaking along with all its assets, liabilities, contracts, arrangements, employees, Permits, records etc. shall, without any further act, instrument or deed, be demerged from the Demerged Company and transferred to and be vested in or be deemed to have been transferred to and vested in the Resulting Company as a going concern so as to become as on and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, records etc. of the Resulting Company by virtue of operation of law and in the manner provided in this Scheme.

- 8.2 In respect of such of the assets and properties forming part of the Demerged Undertaking which are movable in nature (including but not limited to all intangible assets) or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company to the Resulting Company upon coming into effect of this Scheme and shall, *ipso facto* and without any other order to this effect, become the assets and properties of the Resulting Company without requiring any deed or instrument of conveyance for transfer of the same.
- 8.3 Subject to Clause 8.4 below, with respect to the assets of the Demerged Undertaking other than those referred to in Clause 8.2 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company, with effect from the Appointed Date by operation of law as transmission in favour of Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required.
- 8.4 In respect of such of the assets and properties forming part of the Demerged Undertaking which are immovable in nature, whether or not included in the books of the Demerged Company, including rights, interest and easements in relation thereto, the same shall stand transferred to and be vested in the Resulting Company with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Demerged Company and/or the Resulting Company.
- 8.5 For the avoidance of doubt and without prejudice to the generality of Clause 8.4 above and Clause 8.6 below, it is clarified that, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings, the Parties shall register the true copy of the orders of the Tribunal approving the Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 8.5 or Clause 8.6 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any part of the Demerged Undertaking takes place and the Demerged Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme.

- 8.6 Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings situated in states other than the state of Gujarat, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and vesting in the Resulting Company, if the Resulting Company so decides, the Parties, whether before or after the Effective Date, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Resulting Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme.
- 8.7 The Demerged Company may, at its sole discretion but without being obliged to, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, debenture or deposit relating to the Demerged Undertaking stands transferred to and vested in the Resulting Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.
- 8.8 Upon effectiveness of the Scheme, all debts, liabilities, debentures, loans, obligations and duties of the Demerged Company as on the Appointed Date and relating to the Demerged Undertaking ("**Demerged Liabilities**") shall, without any further act, instrument or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Appointed Date and the Resulting Company shall meet, discharge and satisfy the same. The term "**Demerged Liabilities**" shall include without limitation:
- 8.8.1 the debts, liabilities, debentures and obligations incurred and duties of any kind, nature or description (including contingent liabilities) which arise out of the activities or operations of the Demerged Undertaking;
- 8.8.2 the specific loans, credit facilities, overdraft facilities and borrowings (including debentures, bonds, notes and other debt securities) raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking, including Loan 1; and
- 8.8.3 in cases other than those referred to in Clause 8.8.1 or 8.8.2 above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger of the Demerged Undertaking bear to the total value of the assets of the Demerged Company immediately prior to the Appointed Date.
- In so far as indirect tax liabilities are concerned, in particular, any liability with respect to the goods and service tax, value added tax, purchase tax, sales tax or any other duty or tax in relation to the Demerged Undertaking and pertaining to the period prior to the Appointed Date, including all or any liability pertaining to the period prior to the Appointed Date, shall be treated as liability of the Resulting Company, to the extent permissible under Applicable Law.
- 8.9 In so far as any Encumbrance in respect of Demerged Liabilities is concerned, such Encumbrance shall, without any further act, instrument or deed being required to be taken or modified, be extended to and shall operate only over the assets comprised in the Demerged



Undertaking which have been Encumbered in respect of the Demerged Liabilities as transferred to the Resulting Company pursuant to the Scheme. Provided that, if any of the assets comprised in the Demerged Undertaking which are being transferred to the Resulting Company pursuant to this Scheme have not been Encumbered in respect of the Demerged Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. 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. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business are concerned, the Encumbrance, if any, over such assets relating to the Demerged Liabilities shall without any further act, instrument or deed being required, be released and the Demerged Company shall be discharged from the obligations and Encumbrances relating to the same. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which continue with the Demerged Company shall without any further act, instrument or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities.

- 8.10 If the Demerged Company is entitled to any unutilized credits (including accumulated losses and unabsorbed depreciation), benefits under the state or central fiscal / investment incentive schemes and policies or concessions relating to the Demerged Undertaking under any Tax law or Applicable Law, the Resulting Company shall be entitled, as an integral part of the Scheme, to claim such benefit or incentives or unutilised credits as the case may be without any specific approval or permission. Without prejudice to the generality of the foregoing, in respect of unutilized input credits of goods and service tax of the Demerged Company, the portion which will be attributed to the Demerged Undertaking and be transferred to the Resulting Company shall be determined by the Board of the Demerged Company in accordance with the Applicable Law.
- 8.11 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Tax laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. It is further clarified that the Resulting Company shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Demerged Undertaking to the extent not claimed by the Demerged Company, as and when the same are paid subsequent to Appointed Date.
- 8.12 Subject to Clause 8 and any other provisions of the Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper, stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of the Resulting Company, as the Person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 8.13 On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Demerged Undertaking, shall be accepted by the bankers of the Resulting Company and credited to the account of the

Resulting Company, if presented by the Resulting Company.

- 8.14 Without prejudice to the provisions of the foregoing sub-clauses of this Clause 8 and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company may execute any and all instruments or documents and do all acts, deeds and things as may be required, including filing of necessary particulars and/ or modification(s) of charge with the concerned RoC or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme.

## **9. PERMITS**

- 9.1 With effect from the Appointed Date, the Permits relating to the Demerged Undertaking shall be transferred to and vested in the Resulting Company and the concerned licensor and grantors of such Permits shall endorse where necessary and record the name of Resulting Company on such Permits so as to empower and facilitate the approval and vesting of the Demerged Undertaking in the Resulting Company and continuation of operations pertaining to the Demerged Undertaking in the Resulting Company without any hindrance and the Permits shall stand transferred to and vested in, and shall be deemed to be transferred to and vested in the Resulting Company without any further act, instrument or deed and shall be appropriately mutated by the Appropriate Authorities concerned therewith in favour of the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits thereunder shall be available to the Resulting Company.
- 9.2 The benefit of all Permits pertaining to the Demerged Undertaking shall, without any other order to this effect, transfer to and vest in and become available to the Resulting Company pursuant to the sanction of this Scheme by the Tribunal.
- 9.3 Notwithstanding the generality of the foregoing provisions, all electricity, gas, water and other utility connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities in different states pertaining to the Demerged Undertaking, together with security deposits and all other advances paid, shall stand automatically transferred in favour of the Resulting Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed.

## **10. CONTRACTS**

- 10.1 All contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, rights, entitlements, licenses for the purpose of carrying on the business of the Demerged Undertaking including contracts for laying and establishing of ducts, optic fibre cable and other assets pertaining to the Demerged Undertaking, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Demerged Undertaking, or to the benefit of which the Demerged Company may be eligible and which are subsisting or having effect immediately before this Scheme coming into effect, shall by endorsement, by delivery or recordal or by operation of law pursuant to the order of the Tribunal sanctioning the Scheme, and on this Scheme becoming effective be deemed to be contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, rights, entitlements and licenses (including licenses granted by any

Appropriate Authority) of the Resulting Company. Such properties and rights described hereinabove shall stand vested in the Resulting Company and shall be deemed to be the property and become the property by operation of law as an integral part of the Resulting Company. Such contracts and properties described above shall continue to be in full force and continue as effective as hitherto in favour of or against the Resulting Company and shall be the legal and enforceable rights and interests of the Resulting Company, which can be enforced and acted upon as fully and effectually as if it were the Demerged Company. Upon this Scheme becoming effective, the rights, benefits, privileges, duties, liabilities, obligations and interest whatsoever, arising from or pertaining to contracts and properties relating to the Demerged Undertaking, shall be deemed to have been entered into and stand assigned, vested and novated to the Resulting Company by operation of law and the Resulting Company shall be deemed to be the Demerged Company's substituted party or beneficiary or obligor thereto, it being always understood that the Resultant Company shall be the successor in interest of the Demerged Company in relation to the properties or rights mentioned hereinabove.

- 10.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme, the Resulting Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give effect to the provisions of this Scheme. With effect from the Appointed Date, the Resulting Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above, on the part of the Demerged Company with respect to Demerged Undertaking.
- 10.3 On and from the Effective Date, and thereafter, the Resulting Company shall be entitled to enforce all pending contracts and transactions and issue credit notes on behalf of the Demerged Company, in relation to or in connection with the Demerged Undertaking, in the name of the Resulting Company in so far as it may be necessary until the transfer of rights and obligations of the Demerged Undertaking to the Resulting Company under this Scheme have been given effect to under such contracts and transactions.

## **11. EMPLOYEES**

- 11.1 Upon the effectiveness of this Scheme and with effect from the Effective Date, the Resulting Company undertakes to engage, without any interruption in service, all employees of the Demerged Company engaged in or in relation to the Demerged Undertaking, on terms and conditions no less favourable than those on which they are engaged by the Demerged Company. The Resulting Company undertakes to continue to abide by any agreement/ settlement or arrangement entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid employees or union representing them. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/ terminal benefits. The decision on whether or not an employee is part of the Demerged Undertaking shall be decided by the Demerged Company, and such decision shall be final and binding on all concerned Parties.

- 11.2 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, as the case may be, will be transferred respectively to such provident fund, gratuity fund and superannuation funds nominated by the Resulting Company and/or such new provident fund, gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, by the Resulting Company. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the said employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Demerged Company.

## **12. LEGAL PROCEEDINGS**

- 12.1 Upon coming into effect of this Scheme, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands and legal proceedings of whatsoever nature (except proceedings with respect to direct tax) by or against the Demerged Company pending and/or arising on or before the Appointed Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against the Resulting Company with effect from the Appointed Date in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. Except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings that stand transferred to the Resulting Company. The Resulting Company shall be replaced/added as party to such proceedings and shall prosecute or defend such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall consequently stand nullified. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Demerged Undertaking.
- 12.2 The Resulting Company undertakes to have all legal and other proceedings (except proceedings with respect to direct tax) initiated by or against the Demerged Company referred to in Clause 12.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company on priority. Both Parties shall make relevant applications and take all steps as may be required in this regard.
- 12.3 Notwithstanding anything contained hereinabove, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Demerged Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Demerged Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with the Resulting Company. However, if the Demerged Company is unable to get the Resulting Company replaced in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Resulting Company and at the cost of the Resulting Company and the latter shall reimburse to the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 12.4 This Scheme complies with the definition of “demerger” as per Sections 2(19AA), 2(19AAA), 2(41A), 47, 72A and other provisions of the Income Tax Act. If any terms of this Scheme are found to be or interpreted to be inconsistent with provisions of the Income Tax Act, then this Scheme shall stand modified to be in compliance with Section 2(19AA) of the Income Tax Act.

### 13. CONSIDERATION

13.1 Upon the Scheme coming into effect and in consideration of the demerger of the Demerged Undertaking and subject to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent or instrument issue and allot on a proportionate basis:

13.1.1 to each equity shareholder of the Demerged Company whose name is recorded in the register of members on the Effective Date:

- (a) 1 (One) fully paid-up Resulting Company Class 'A' Equity Share to be issued at par of the Resulting Company for every 9 (Nine) fully paid-up equity shares of INR 10 (Indian Rupee Ten) each of the Demerged Company;

*and at the option of the shareholders of the Demerged Company any one or a combination of the following shares:*

- (b) 1 (One) fully paid-up Resulting Company Class 'B' Equity Share of the Resulting Company for every 175 (One Hundred and Seventy Five) fully paid-up equity shares of INR 10 (Indian Rupee Ten) each of the Demerged Company;
- (c) 1 (One) fully paid-up Resulting Company Preference Share - A for every 175 (One Hundred and Seventy Five) fully paid-up equity shares of INR 10 (Indian Rupee Ten) each of the Demerged Company;
- (d) Such number of Resulting Company Preference Shares – B to be issued at par which when multiplied by their par value is equal to the difference between (i) the value of the assets (including goodwill, if any) of the Demerged Undertaking recorded in the books of the Resulting Company on the Appointed Date and (ii) the aggregate of (a) the value of the liabilities of the Demerged Undertaking recorded in the books of the Resulting Company on the Appointed Date; (b) the paid-up value of the Resulting Company Class 'A' Equity Shares issued as per Clause 13.1.1(a); (c) the paid-up value of the Resulting Company Class 'B' Equity Shares issued as per Clause 13.1.1(b) and the securities premium on the issuance of the said shares; and (d) the paid-up value of the Preference Share - A issued as per Clause 13.1.1(c) and the securities premium on the issuance of the said shares.

In other words, the number of Resulting Company Preference Shares – B ('X') will be equal to:

$X = \{(A - B) - C - D\} / \text{par value of Resulting Company Preference Shares - B}$ , where:

A = the value of the assets (including goodwill, if any) of the Demerged Undertaking recorded in the books of the Resulting Company

B = book value of the assets of the Demerged Undertaking transferred to the Resulting Company

C = amount arrived at by multiplying the number of Resulting Company Class 'B' Equity Shares issued as per Clause 13.1.1(b) by the sum of the par value and the securities premium of such shares

D = amount arrived at by multiplying the number of Resulting Company Preference Shares – A issued as per Clause 13.1.1(c) by the sum of the par value and the securities premium of such shares

For avoidance of doubt, it is clarified that in the event the shareholder of the Demerged Company opts for Clause 13.1.1(c) and /or Clause 13.1.1(d), the shareholder has a further option to choose any or all combination of redeemable / convertible / participating / non-participating preference shares.

The Resulting Company Class 'A' Equity Shares, Resulting Company Class 'B' Equity Shares, the Resulting Company Preference Share - A and the Resulting Company Preference Share - B to be issued pursuant to the above sub-clauses (a), (b), (c) and (d) will be together referred to as "**New Equity Shares**".

In case of any doubt on the number of shares to be New Equity Shares, the same shall be resolved in terms of Clause 28.2 of the Scheme.

13.1.2 to the holder of Remaining Preference Shares whose name is recorded in the register of members on the Effective Date

(a) 1 (One) fully paid-up redeemable preference share of the Resulting Company of INR 10 (Indian Rupee Ten) each for every 100 (One Hundred) fully paid-up Remaining Preference Shares.

The preference shares to be issued pursuant to the above sub-clause (a) is hereinafter referred to as "**New Preference Shares**". The terms of the New Preference Shares shall be mutually agreed between the Demerged Company and the Resulting Company and shall be incorporated in the articles of association of the Resulting Company. For avoidance of doubt, it is clarified that no consideration shall be discharged in lieu of the Preference Shares being cancelled under Part II of this Scheme.

The New Equity Shares and New Preference Shares to be issued pursuant to the above Clauses 13.1.1 and 13.1.2 will be together referred to as "**New Shares**".

13.2 The New Shares shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company, including with respect to dividend, bonus, rights shares, voting rights and other corporate benefits attached to the New Shares of the Resulting Company.

13.3 The issue and allotment of the New Shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law as may be applicable, were duly complied with. It is clarified that the approval of the members of the Resulting Company and/or the Demerged Company to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of the New Shares.

13.4 In case any shareholder's shareholding in the Demerged Company is such that such shareholder becomes entitled to a fraction of the New Share of the Resulting Company, the Resulting Company shall round the same up to the next whole number.

13.5 In the event the Parties restructure their share capital by way of share

split/consolidation/issue of bonus shares during the pendency of the Scheme, the share allotment ratio set out in Clause 13.1 shall be adjusted accordingly to consider the effect of such corporate action without requirement of any further approval from the Appropriate Authority.

- 13.6 On the Scheme becoming effective and upon allotment of New Shares under Clause 13.1, the rights attached to the Existing Equity Shares – Resulting Company shall stand varied as follows:

*13.6.1 Voting rights*

100 (Hundred) votes per equity share

*13.6.2 Right to dividend*

NIL

*13.6.3 Repayment of capital*

Only upon dissolution or winding up of the Resulting Company, to the extent of the paid-up face value to be paid before repayment of paid-up face value of New Equity Shares; and

*13.6.4 Right to participate in surplus assets*

No right to participate in surplus assets either on winding up or on liquidation or otherwise of the Resulting Company.

The variation of rights of the Existing Equity Shares – Resulting Company is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or its shareholders. It is clarified that the approval of the members and creditors of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the variation of rights of the Existing Equity Shares – Resulting Company.

- 13.7 It is clarified that the approval of the members of the Resulting Company to this Scheme shall be deemed to be their consent/ approval also to the consequential alteration of its memorandum of association and articles of association pursuant to Clause 13 of this Scheme and the Resulting Company shall not be required to seek separate consent/ approval of its shareholders for such alteration, as required under Sections 13, 14, 42, 61, 64, and other applicable provisions of the Act.
- 13.8 The Resulting Company shall, to the extent required, increase and/ or reclassify its authorized share capital in order to issue New Shares. Further, the Resulting Company shall comply with the provisions of the Act to increase and/ or reclassify its authorized share capital.

**14. ACCOUNTING TREATMENT**

The Demerged Company and Resulting Company shall comply with generally accepted accounting practices in India, provisions of the Act and accounting standards as notified by Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, in relation to the underlying transactions in the Scheme including but not limited to the following:

14.1 In the books of the Demerged Company:

Upon Part III of the Scheme coming into effect, the Demerged Company shall account for the demerger in its books of account in the following manner:

- 14.1.1 Demerged Company shall derecognize the carrying values of the tangible assets as on the Appointed Date, that are transferred to Resulting Company pursuant to this Scheme, in accordance with accounting standard IND - AS 16 – Property, Plant and Equipment;
- 14.1.2 Demerged Company shall derecognize the carrying values of the intangible assets as on the Appointed Date, that are transferred to Resulting Company pursuant to this Scheme, in accordance with accounting standard IND - AS 38 – Intangible Assets;
- 14.1.3 Demerged Company shall derecognize the carrying values of the financial liabilities as on Appointed Date, that are transferred to Resulting Company pursuant to this Scheme, in accordance with accounting standard IND - AS 109 – Financial Instruments;
- 14.1.4 Demerged Company shall derecognize the carrying values of the other assets and liabilities as on Appointed Date, that are transferred to Resulting Company pursuant to this Scheme, in accordance with relevant accounting standards as applicable; and
- 14.1.5 The net effect of the adjustments referred to in clauses 14.1.1 through 14.1.4 above shall be accounted by the Demerged Company in its capital reserve account or retained earnings.

14.2 In the books of the Resulting Company:

Upon Part III of the Scheme coming into effect, the Resulting Company shall account for the demerger in its books of account in the following manner:

- 14.2.1 Resulting Company shall comply with accounting standard IND - AS 103 – Business Combination and account for the identifiable tangible, intangible and current assets and the liabilities acquired using the acquisition method at acquisition date fair value;
- 14.2.2 In respect of New Shares to be issued by Resulting Company pursuant to Clauses 13.1.1(a) and 13.1.1(b) of the Scheme as consideration the Resulting Company shall credit its equity share capital account for the aggregate face value of these shares and credit the securities premium account for the premium on issuance of the same;
- 14.2.3 In respect of New Shares to be issued by Resulting Company pursuant to Clauses 13.1.1(c), 13.1.1(d) and 13.1.2 of the Scheme as consideration the Resulting Company shall account for these shares in accordance with accounting standard IND-AS 109 – Financial Instruments; and
- 14.2.4 The balance, if any, after giving effect to clause 14.2.1 to 14.2.3 above shall be transferred by the Resulting Company to its capital reserve account or goodwill, as the case may be.



## PART IV

### TRANSFER AND VESTING OF THE TRANSFERRED UNDERTAKING

#### 15. TRANSFER AND VESTING OF THE TRANSFERRED UNDERTAKING

- 15.1 Immediately upon Part II of the Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to Sections 230 to 232 of the Act, the Transferred Undertaking along with all its assets, liabilities, contracts, arrangements, employees, Permits, records, etc. shall, without any further act, instrument or deed, be transferred from the Transferor Company to and be vested in or be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become as on and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, records, etc. of the Transferee Company by virtue of operation of law, and in the manner provided in this Scheme.
- 15.2 In respect of such of the assets and properties forming part of the Transferred Undertaking which are movable in nature (including but not limited to all intangible assets) or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Transferor Company to the Transferee Company upon coming into effect of this Scheme and shall, *ipso facto* and without any other order to this effect, become the assets and properties of the Transferee Company without requiring any deed or instrument of conveyance for transfer of the same.
- 15.3 Subject to Clause 15.4 below, with respect to the assets of the Transferred Undertaking other than those referred to in Clause 15.2 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Transferor Company, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company, with effect from the Appointed Date by operation of law as transmission in favour of the Transferee Company. With regard to the licenses of the properties, the Transferee Company will enter into novation agreements, if it is so required.
- 15.4 In respect of such of the assets and properties forming part of the Transferred Undertaking which are immovable in nature, whether or not included in the books of the Transferor Company, including rights, interest and easements in relation thereto, the same shall stand transferred to and be vested in the Transferee Company with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Transferor Company and/or the Transferee Company.

- 15.5 For the avoidance of doubt and without prejudice to the generality of Clause 15.4 above and Clause 15.6 below, it is clarified that, with respect to the immovable properties comprised in the Transferred Undertaking in the nature of land and buildings, the Parties shall register the true copy of the orders of the Tribunal approving the Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents which may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 15.5 or Clause 15.6 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any part of the Transferred Undertaking takes place and the Transferred Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme.
- 15.6 Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Transferred Undertaking in the nature of land and buildings situated in states other than the state of Gujarat, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty, and vesting in the Transferee Company, if the Transferee Company so decides, the Parties, whether before or after the Effective Date, may execute and register or cause so to be done, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Transferee Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value as determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme.
- 15.7 The Transferor Company may, at its sole discretion but without being obliged to, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, debenture or deposit relating to the Transferred Undertaking stands transferred to and vested in the Transferee Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.
- 15.8 Upon effectiveness of the Scheme, all debts, liabilities, debentures, loans, obligations and duties of the Transferor Company as on the Appointed Date and relating to the Transferred Undertaking ("**Transferred Liabilities**") shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Transferee Company to the extent that they are outstanding as on the Appointed Date and the Transferee Company shall meet, discharge and satisfy the same. The term "**Transferred Liabilities**" shall include without limitation:
- 15.8.1 the debts, liabilities, debentures and obligations incurred and duties of any kind, nature or description (including contingent liabilities) which arise out of the activities or operations of the Transferred Undertaking;
  - 15.8.2 the specific loans, credit facilities, overdraft facilities and borrowings (including debentures bonds, notes and other debt securities) raised, incurred and utilized solely for the activities or operations of the Transferred Undertaking, including Loan 2; and
  - 15.8.3 in cases other than those referred to in Clause 15.8.1 or 15.8.2 above, so much of the amounts of general or multipurpose borrowings, if any, of the Transferor Company, as stand in the same proportion which the value of the assets transferred pursuant to the transfer and vesting of the Transferred Undertaking bear to the total value of the

assets of the Transferor Company immediately prior to the Appointed Date.

In so far as indirect tax liabilities are concerned, in particular, any liability with respect to the goods and service tax, value added tax, purchase tax, sales tax or any other duty or tax in relation to the Transferred Undertaking and pertaining to the period prior to the Appointed Date, including all or any liability pertaining to the period prior to the Appointed Date, shall be treated as liability of the Transferee Company, to the extent permissible under Applicable Law.

- 15.9 In so far as any Encumbrance in respect of Transferred Liabilities is concerned, such Encumbrance shall, without any further act, instrument or deed being required to be taken or modified, be extended to and shall operate only over the assets comprised in the Transferred Undertaking which have been Encumbered in respect of the Transferred Liabilities as transferred to the Transferee Company pursuant to the Scheme. Provided that, if any of the assets comprised in the Transferred Undertaking which are being transferred to the Transferee Company pursuant to this Scheme have not been Encumbered in respect of the Transferred Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. 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. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business are concerned, the Encumbrance, if any, over such assets relating to the Transferred Liabilities shall without any further act, instrument or deed being required, be released and the Transferor Company shall be discharged from the obligations and Encumbrances relating to the same. Further, in so far as the assets comprised in the Transferred Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Transferee Company pursuant to this Scheme and which continue with the Transferor Company shall without any further act, instrument or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities.
- 15.10 If the Transferor Company is entitled to any unutilized credits (including accumulated losses and unabsorbed depreciation), benefits under the state or central fiscal / investment incentive schemes and policies or concessions relating to the Transferred Undertaking under any Tax law or Applicable Law, the Transferee Company shall be entitled, as an integral part of the Scheme, to claim such benefit or incentives or unutilised credits as the case may be without any specific approval or permission. Without prejudice to the generality of the foregoing, in respect of unutilized input credits of goods and service tax of the Transferor Company, the portion which will be attributed to the Transferred Undertaking and be transferred to the Transferee Company shall be determined by the Board of Transferor Company in accordance with the Applicable Law.
- 15.11 Upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Tax laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. It is further clarified that the Transferee Company shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Transferred Undertaking to the extent not claimed by the Transferor Company, as and when the same are paid subsequent to the Appointed Date.
- 15.12 Subject to Clause 15 and any other provisions of the Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Transferred Undertaking,

the Transferor Company shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of the Transferee Company, as the Person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

- 15.13 On and from the Effective Date , all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Transferor Company, in relation to or in connection with the Transferred Undertaking, shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company.
- 15.14 Without prejudice to the provisions of the foregoing sub-clauses of this Clause 15 and upon the effectiveness of this Scheme, the Transferor Company and the Transferee Company may execute any and all instruments or documents and do all the acts, deeds and things as may be required, including filing of necessary particulars and/ or modification(s) of charge, with the concerned RoC or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme.

## **16. PERMITS**

- 16.1 With effect from the Appointed Date, the Permits relating to the Transferred Undertaking shall be transferred to and vested in the Transferee Company and the concerned licensor and grantors of such Permits shall endorse where necessary, and record the name of Transferee Company on such Permits so as to empower and facilitate the approval and vesting of the Transferred Undertaking in the Transferee Company and continuation of operations pertaining to the Transferred Undertaking in the Transferee Company without any hindrance and the Permits shall stand transferred to and vested in, and shall be deemed to be transferred to and vested in the Transferee Company without any further act, instrument or deed and shall be appropriately mutated by the Appropriate Authorities concerned therewith in favour of the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.
- 16.2 The benefit of all Permits pertaining to the Transferred Undertaking shall, without any other order to this effect, stand transferred to and vested in and become available to the Transferee Company pursuant to the sanction of this Scheme by the Tribunal.
- 16.3 Notwithstanding the generality of the foregoing provisions, all electricity, gas, water and other utility connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities in different states pertaining to the Transferred Undertaking, together with security deposits and all other advances paid, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed.

## **17. CONTRACTS**

- 17.1 All contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or

entitlements whatsoever, schemes, arrangements and other instruments, rights, entitlements and licenses for the purpose of carrying on the business of the Transferred Undertaking for construction and establishment of telecommunications towers and other assets pertaining to the Transferred Undertaking, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferred Undertaking, or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before this Scheme coming into effect, shall by endorsement, by delivery or recordal or by operation of law pursuant to the order of the Tribunal sanctioning the Scheme, and on this Scheme becoming effective be deemed to be contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, rights, entitlements and licenses (including licenses granted by any Appropriate Authority) of the Transferee Company. Such properties and rights described hereinabove shall stand vested in the Transferee Company and shall be deemed to be the property and become the property by operation of law as an integral part of the Transferee Company. Such contracts and properties described above shall continue to be in full force and continue as effective as hitherto in favour of or against the Transferee Company and shall be the legal and enforceable rights and interests of the Transferee Company, which can be enforced and acted upon as fully and effectually as if it were the Transferor Company. Upon this Scheme becoming effective, the rights, benefits, privileges, duties, liabilities, obligations and interest whatsoever, arising from or pertaining to contracts and properties relating to the Transferred Undertaking, shall be deemed to have been entered into and stand assigned, vested and novated to the Transferee Company by operation of law and the Transferee Company shall be deemed to be the Transferor Company's substituted party or beneficiary or obligor thereto, it being always understood that the Transferee Company shall be the successor in the interest of the Transferor Company in relation to the properties or rights mentioned hereinabove.

- 17.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Transferred Undertaking occurs by virtue of this Scheme, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give effect to the provisions of this Scheme. With effect from the Appointed Date, the Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above, on the part of the Transferor Company with respect to Transferred Undertaking.
- 17.3 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to enforce all pending contracts and transactions and issue credit notes on behalf of the Transferor Company, in relation to or in connection with the Transferred Undertaking, in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferred Undertaking to the Transferee Company under this Scheme have been given effect to under such contracts and transactions.

## **18. EMPLOYEES**

- 18.1 Upon the effectiveness of this Scheme and with effect from the Effective Date, the Transferee Company undertakes to engage, without any interruption in service, all employees of the Transferor Company engaged in or in relation to the Transferred Undertaking, on terms and

conditions no less favourable than those on which they are engaged by the Transferor Company. The Transferee Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Transferor Company with any of the aforesaid employees or union representing them. The Transferee Company agrees that the services of all such employees with the Transferor Company prior to the transfer shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/ terminal benefits. The decision on whether or not an employee is part of the Transferred Undertaking shall be decided by the Transferor Company, and such decision shall be final and binding on all concerned Parties.

- 18.2 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, as the case may be, will be transferred respectively to such provident fund, gratuity fund and superannuation funds nominated by the Transferee Company and/ or such new provident fund, gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, by the Transferee Company. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the said employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Transferor Company.

## **19. LEGAL PROCEEDINGS**

- 19.1 Upon the coming into effect of this Scheme, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands and legal proceedings of whatsoever nature (except proceedings with respect to direct tax) by or against the Transferor Company pending and/or arising on or before the Appointed Date or which may be instituted at any time thereafter and in each case relating to the Transferred Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against the Transferee Company with effect from the Appointed Date in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. Except as otherwise provided herein, the Transferor Company shall in no event be responsible or liable in relation to any such legal or other proceedings that stand transferred to the Transferee Company. The Transferee Company shall be replaced/added as party to such proceedings and shall prosecute or defend such proceedings at its own cost, in cooperation with the Transferor Company and the liability of the Transferor Company shall consequently stand nullified. The Transferor Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Transferred Undertaking.
- 19.2 The Transferee Company undertakes to have all legal and other proceedings (except proceedings with respect to direct tax) initiated by or against the Transferor Company referred to in Clause 19.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company on priority. Both Parties shall make relevant applications and take all steps as may be required in this regard.
- 19.3 Notwithstanding anything contained above, if at any time after the Effective Date, the Transferor Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Transferred Undertaking, the Transferor Company shall, in view of the transfer and vesting of the Transferred Undertaking pursuant to this Scheme, take all such steps in the proceedings

before the Appropriate Authority to replace the Transferor Company with the Transferee Company. However, if the Transferor Company is unable to get the Transferee Company replaced in such proceedings, the Transferor Company shall defend the same or deal with such demand in accordance with the advice of the Transferee Company and at the cost of the Transferee Company and the latter shall reimburse to the Transferor Company all liabilities and obligations incurred by the Transferor Company in respect thereof.

## 20. CONSIDERATION

20.1 Upon the Scheme coming into effect and in consideration of the transfer and vesting of the Transferred Undertaking in the Transferee Company pursuant to provisions of this Scheme and Applicable Law, the Transferee Company shall, in accordance with the terms of the Scheme and without any further application, act, deed, payment, consent or instrument discharge a lump sum consideration to the Transferor Company by way of issuance of:

20.1.1 200,00,00,000 (Two Hundred Crore) fully paid up Transferee Company Class 'A' Equity Shares issued at par; and

20.1.2 at the option of the Transferor Company any one or a combination of the following shares on a proportionate basis:

(a) 5,00,00,000 (Five Crore) fully paid up Transferee Company Class 'B' Equity Shares issued at par;

(b) 5,00,00,000 (Five Crore) fully paid up Transferee Company Preference Shares issued at par.

For avoidance of doubt, it is clarified that in the event the shareholder of the Demerged Company opts for Clause 20.1.2(b), the shareholder has a further option to choose any or all combination of redeemable / convertible / participating / non-participating preference shares.

The Transferee Company Class 'A' Equity Shares of INR 1 (Indian Rupee One) each, the Transferee Company Class 'B' Equity Shares of INR 10 (Indian Rupee Ten) each and the Transferee Company Preference Shares of INR 10 (Indian Rupee Ten) each to be issued pursuant this Clause will be together referred to as "**Transferee Company New Shares**".

20.2 The Transferee Company New Shares shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company, including with respect to dividend, bonus, rights shares, voting rights and other corporate benefits attached to the Transferee Company New Shares.

20.3 The discharge of lump sum consideration by way of issuance of Transferee Company New Shares to the Transferor Company as provided in this Scheme, is an integral part of the Scheme and shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company or the Transferor Company or their shareholders and as if the procedure laid down under Sections 42, 62 and other provisions of the Act, as may be applicable, and such other Applicable Laws as may be applicable were duly complied with.

20.4 In the event the Transferee Company restructures its share capital by way of share split/consolidation/issue of bonus shares during the pendency of this Scheme, the share allotment ratio as mentioned in Clause 20.1 shall be adjusted accordingly to consider the

effect of such corporate action and without the requirement of any further approval from the Appropriate Authority.

- 20.5 On the Scheme becoming effective and upon allotment of Transferee Company New Shares under Clause 20.1, the rights attached to the Existing Equity Shares – Transferee Company shall stand varied as follows:

*20.5.1 Voting rights*

100 (Hundred) votes per equity share

*20.5.2 Right to dividend*

NIL

*20.5.3 Repayment of capital*

Only upon dissolution or winding up of the Transferee Company, to the extent of the paid-up face value to be paid before repayment of paid-up face value of Transferee Company New Shares; and

*20.5.4 Right to participate in surplus assets*

No right to participate in surplus assets either on winding up or on liquidation or otherwise of the Transferee Company.

The variation of rights of the Existing Equity Shares – Transferee Company is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or its shareholders. It is clarified that the approval of the members and creditors of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the variation of rights of the Existing Equity Shares – Transferee Company.

- 20.6 The Transferee Company shall, to the extent required, increase and/ or reclassify its authorized share capital in order to issue Transferee Company New Shares under this Scheme. Further, the Transferee Company shall comply with the provisions of the Act to increase and/ or reclassify its authorized share capital.

## **21. ACCOUNTING TREATMENT**

The Transferor Company and the Transferee Company shall comply with generally accepted accounting practices in India, provisions of the Act and accounting standards as notified by Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, in relation to the transactions underlying in the Scheme including but not limited to the following:

21.1 In the books of the Transferor Company:

Upon Part IV of the Scheme coming into effect, the Transferor Company shall account for the transaction in its books of account in the following manner:

- 21.1.1 Transferor Company shall derecognize the carrying values of the tangible assets as on Appointed Date, that are transferred to Transferee Company pursuant to this Scheme,



in accordance with accounting standard IND - AS 16 – Property, Plant and Equipment;

- 21.1.2 Transferor Company shall derecognize the carrying values of the intangible assets as on Appointed Date, that are transferred to Transferee Company pursuant to this Scheme, in accordance with accounting standard IND - AS 38 – Intangible Assets;
- 21.1.3 Transferor Company shall derecognize the carrying values of the financial liabilities as on Appointed Date, that are transferred to Transferee Company pursuant to this Scheme, in accordance with accounting standard IND - AS 109 – Financial Instruments;
- 21.1.4 Transferor Company shall derecognize the carrying values of the other assets and liabilities as on Appointed Date, that are transferred to Transferee Company pursuant to this Scheme, in accordance with relevant accounting standards as applicable;
- 21.1.5 The lumpsum consideration received by Transferor Company in the form of Transferee Company New Shares to be issued by Transferee Company shall be recognised at cost being the net effect of the adjustments referred to in clauses 21.1.1 to 21.1.4 above in compliance with accounting standard IND - AS 27 – Separate Financial Statements.

21.2 In the books of the Transferee Company:

Upon Part IV of the Scheme coming into effect, the Transferee Company shall account for the transaction, in its books of account in the following manner:

- 21.2.1 Transferee Company shall comply with accounting standard IND - AS 103 – Business Combination and account for the identifiable tangible, intangible and current assets and the liabilities acquired using the acquisition method at acquisition date fair value;
- 21.2.2 Transferee Company shall credit its equity share capital account with aggregate face value of Transferee Company New Shares issued under Clauses 20.1.1 and 20.1.2(a) of this Scheme;
- 21.2.3 In respect of Transferee Company New Shares to be issued by Transferee Company pursuant to Clause 20.1.2(b) of the Scheme as consideration the Transferee Company shall account for such Transferee Company New Shares in accordance with accounting standard IND-AS 109 – Financial Instruments; and
- 21.2.4 The net effect of the adjustments referred in clauses 21.2.1 to 21.2.3 above shall be transferred by the Transferee Company to its capital reserve account or goodwill, as the case may be.

## **PART V**

### **GENERAL TERMS & CONDITIONS**

#### **22. REMAINING BUSINESS**

- 22.1 The Remaining Business and all the assets, investments, liabilities and obligations of the Demerged/ Transferor Company, shall continue to belong to and be vested in and be managed by the Demerged/ Transferor Company. With effect from the Effective Date, only the Demerged/ Transferor Company shall be liable to perform and discharge all liabilities and obligations in relation to the Remaining Business and the Resulting Company and the

Transferee Company shall not have any liability or obligation in relation to the Remaining Business.

- 22.2 All legal, Tax and/or other proceedings by or against the Demerged/ Transferor Company under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter, and relating to the Remaining Business of the Demerged/ Transferor Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged/ Transferor Company in respect of the Remaining Business) shall be continued and enforced against the Demerged/ Transferor Company. The Resulting Company and the Transferee Company shall in no event be responsible or liable in relation to any such legal, Tax or other proceedings in relation to the Remaining Business.
- 22.3 If the Resulting Company and/ or the Transferee Company is in receipt of any demand, claim, notice and/or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Remaining Business, the Resulting Company and/ or the Transferee Company shall, in view of the transfer and vesting of the Demerged Undertaking and Transferred Undertaking, as the case may be, pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Resulting Company or the Transferee Company, as the case may be, with the Demerged Company. However, if the Resulting Company or the Transferee Company (as applicable) is unable to get the Demerged/ Transferor Company replaced in such proceedings, it shall defend the same or deal with such demand in accordance with the advice of the Demerged/ Transferor Company and at the cost of the Demerged/ Transferor Company and the latter shall reimburse the Resulting Company and/ or the Transferee Company against all liabilities and obligations incurred by or against the Resulting Company and/ or the Transferee Company, as the case may be, in respect thereof.

### **23. DIVIDENDS**

- 23.1 The Parties shall be entitled to declare and pay dividends to their respective shareholders in the ordinary course of business, whether interim or final.
- 23.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of any of the Parties, as the case may be, to demand or claim or be entitled to any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of the Demerged/ Transferor Company, the Resulting Company or the Transferee Company, as the case may be, and subject to approval, if required, of the shareholders of the Demerged/Transferor Company, the Resulting Company or the Transferee Company, as the case may be.

### **24. BUSINESS UNTIL EFFECTIVE DATE**

- 24.1 With effect from the date of approval of the Scheme by the respective Boards of the Parties and up to and including the Effective Date:
- 24.1.1 The Demerged/ Transferor Company shall, with respect to the respective Undertakings, carry on the business with reasonable diligence and business prudence and in the same manner as the Demerged/ Transferor Company had been doing hitherto;
- 24.1.2 The Resulting Company and the Transferee Company shall be entitled, pending the

sanction of the Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which the Resulting Company and the Transferee Company may respectively require to carry on the relevant business of the Demerged/ Transferor Company and to give effect to the Scheme.

24.2 In case the Effective Date is later than the Appointed Date, the Demerged/ Transferor Company with effect from the Appointed Date and up to and including the Effective Date:

24.2.1 shall be deemed to have been carrying on and shall carry on its business and activities in relation to the Undertakings and shall be deemed to have held and stood possessed of the Undertakings and shall hold and stand possessed of the assets of the respective Undertakings for and on account of, and in trust for the Resulting Company or the Transferee Company, as the case may be;

24.2.2 all profits or income arising or accruing to the Demerged/ Transferor Company in relation to the Undertakings and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, dividend distribution tax, securities transaction tax, taxes withheld/paid in a foreign country, etc.) or losses arising or incurred by the Demerged/ Transferor Company shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses of the Resulting Company or the Transferee Company, as the case may be; and

24.2.3 all loans raised and all liabilities and obligations incurred by the Demerged/ Transferor Company after the Appointed Date and prior to the Effective Date in relation to the Undertakings, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company or the Transferee Company, as the case may be, in which the relevant Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also, without any further act, instrument or deed be and be deemed to become the debts, liabilities, duties and obligations of the Resulting Company or the Transferee Company, as the case may be.

24.3 For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, the Resulting Company and the Transferee Company shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the demerger of the Demerged Undertaking and transfer and vesting of the Transferred Undertaking, in accordance with the provisions of Sections 230 to 232 of the Act. The Resulting Company and Transferee Company shall always be deemed to have been authorized to execute any pleadings, applications, forms etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, the Resulting Company and the Transferee Company, as the case may be, shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all obligations in relation to or applicable to all immovable properties including mutation and/or substitution of the ownership or the title to or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authorities in favour of the Resulting Company or the Transferee Company, as the case may be, pursuant to the sanction of this Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by the Resulting Company or the Transferee Company. It is

clarified that the Resulting Company and the Transferee Company shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/or substitution.

## **25. PROPERTY IN TRUST**

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

## **26. FACILITATION PROVISIONS**

26.1 Notwithstanding the existing limits under Section 180(1)(c) of the Act, the Board of the Demerged/ Transferor Company shall be deemed to have been authorised to take loans to the extent of Loan 1, Loan 2 and Loan 3 in addition to the existing limit approved by the Board and shareholders of Demerged/ Transferor Company. In order to facilitate the borrowing by the Demerged/ Transferor Company, notwithstanding the limits under Section 180(1)(a) of the Act, the Board of the Demerged/ Transferor Company is authorised to pledge/ hypothecate/ mortgage and/ or charge the assets, both movable and immovable, for the aforementioned amount of Loan 1, Loan 2 and Loan 3.

26.2 Notwithstanding the existing limits under Section 180(1)(c) of the Act, the Board of the Resulting Company shall be deemed to have been authorised to take loans upto an aggregate amount of INR 150000,00,00,000 (Indian Rupees One Lakh Fifty Thousand Crore Only). In order to facilitate the borrowing by the Resulting Company, notwithstanding the limits under Section 180(1)(a) of the Act, the Board of the Resulting Company is authorised to pledge/ hypothecate/ mortgage and/ or charge the assets, both movable and immovable upto the borrowing limit authorized under Section 180(1)(c).

26.3 Notwithstanding the existing limits under Section 180(1)(c) of the Act, the Board of the Transferee Company shall be deemed to have been authorised to take loans upto an aggregate amount of INR 50000,00,00,000 (Indian Rupees Fifty Thousand Crore Only). In order to facilitate the borrowing by the Transferee Company, notwithstanding the limits under Section 180(1)(a) of the Act, the Board of the Resulting Company is authorised to pledge/ hypothecate/ mortgage and/ or charge the assets, both movable and immovable upto the borrowing limit authorized under Section 180(1)(c).

26.4 It is clarified that the approval of this Scheme by the shareholders of the Parties under Sections 230 to 232 of the Act shall be deemed to have their approval under Section 180(1)(c) and 180(1)(a) of the Act, as the case may be and any other applicable provisions of the Act and that no separate approval from the shareholders to that extent will be required to be sought

by the Parties.

## **27. APPLICATIONS/PETITIONS TO THE TRIBUNAL**

- 27.1 The Parties shall dispatch, make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, under whose jurisdiction the registered offices of the respective Parties are situated, for sanction of this Scheme under the provisions of Applicable Law and shall apply for such approvals as may be required under Applicable Law.
- 27.2 The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Parties may require to own the assets and/or liabilities of the respective Undertakings and to carry on the business of the respective Undertakings.

## **28. MODIFICATION OR AMENDMENTS TO THIS SCHEME**

- 28.1 On behalf of each of the Parties, the Board of the respective Parties acting themselves or through authorized Persons, may consent jointly but not individually, on behalf of all Persons concerned, to any modifications or amendments to this Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the Tribunal or any other Appropriate Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by all of them (i.e., the Boards of the Parties) and solve all difficulties that may arise for carrying out this Scheme and do all acts, deeds and things necessary for putting this Scheme into effect.
- 28.2 For the purposes of giving effect to this Scheme or to any modification hereof, the Boards of the Parties acting themselves or through authorized Persons may jointly but not individually, give and are jointly authorised to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all Parties, in the same manner as if the same were specifically incorporated in this Scheme.

## **29. ORDER OF IMPLEMENTATION OF THE SCHEME**

- 29.1 The Scheme shall be made effective in the order as contemplated below:
- 29.1.1 Part II of the Scheme shall be made effective in priority to Part III and Part IV; and
- 29.1.2 Part III and Part IV of the Scheme shall be made effective simultaneously, immediately after the implementation of Part II of the Scheme.
- 29.2 It is hereby clarified that submission of this Scheme to the Tribunal and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Parties may have under or pursuant to all Applicable Law.
- 29.3 On the approval of this Scheme by the shareholders of the Parties and such other classes of Persons relating to the Parties, if any, such shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable to all the matters related or arising pursuant to the Scheme.

## **30. NON-RECEIPT OF APPROVALS AND REVOCATION/WITHDRAWAL OF THIS SCHEME**

- 30.1 The Parties acting jointly through their respective Boards shall each be at liberty to withdraw from this Scheme.
- 30.2 In the event the Scheme not being sanctioned by the Tribunal, and/or the order or orders not being passed as aforesaid on or before such date as may be agreed to by the Parties, this Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/or in connection with this Scheme.
- 30.3 In the event of revocation/withdrawal of the Scheme under Clause 30.1 or Clause 30.2 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Demerged/ Transferor Company, the Resulting Company and the Transferee Company or their respective shareholders or creditors or employees or any other Person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

### **31. COSTS AND EXPENSES**

- 31.1 All costs, charges and expenses payable in relation to or in connection with this Scheme and incidental to the completion of the transfer and vesting of the Demerged Undertaking and the Transferred Undertaking of the Demerged/ Transferor Company in the Resulting Company and the Transferee Company respectively in pursuance of this Scheme including stamp duty on the order(s) of the Tribunal, if any, to the extent applicable and payable shall be borne and paid by the Demerged/ Transferor Company, except in the event of this Scheme not taking effect as provided in Clause 30 above in which case, each company shall bear and pay its own costs, charges and expenses incurred in relation to or in connection with this Scheme.

### **32. SAVING OF CONCLUDED TRANSACTIONS**

- 32.1 Nothing in this Scheme shall affect any transaction or proceedings already concluded or liabilities incurred by the Demerged/ Transferor Company in relation to the Undertakings until the Appointed Date, to the end and intent that the Resulting Company and/ or the Transferee Company shall accept and adopt all acts, deeds and things done and executed by the Demerged/ Transferor Company in respect thereto as done and executed on behalf of the Resulting Company and the Transferee Company, as the case may be.