

SCHEME OF ARRANGEMENT
BETWEEN
SIEMENS LIMITED
AND
SIEMENS ENERGY INDIA LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

For Siemens Energy India Limited

Director

For Siemens Ltd.

Ketan Thaker
Company Secretary



(A) DESCRIPTION OF COMPANIES

1. **Siemens Limited ("Demerged Company")**, is a company incorporated under the provisions of the Companies Act, 1956, having Corporate Identity Number L28920MH1957PLC010839 and its registered office at Birla Aurora, Level 21, Plot No. 1080 Dr. Annie Besant Road, Worli, Mumbai – 400 030, Maharashtra, India. The Demerged Company is a technology company focused on industry, infrastructure, transport as well as transmission and generation of electrical power. From more resource-efficient factories, resilient supply chains, and smarter buildings and grids, to cleaner and more comfortable transportation, the Demerged Company creates technology with purpose adding real value for customers. By combining the real and the digital worlds, the Demerged Company empowers its customers to transform their industries and markets, to transform the everyday for people. The equity shares of the Demerged Company are listed on the Stock Exchanges (*as defined hereinafter*).
2. **Siemens Energy India Limited ("Resulting Company")** is a company incorporated under the provisions of the Act (*as defined hereinafter*), having Corporate Identity Number U28110MH2024PLC418770 and its registered office at Birla Aurora, Level 21, Plot No.1080, Dr. Annie Besant Road, Worli, Mumbai – 400 030, Maharashtra, India. The Resulting Company is a wholly owned subsidiary of the Demerged Company.

(B) OVERVIEW OF THE SCHEME

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

(C) RATIONALE

- (i) The Demerged Company is part of the Siemens group, a technology group that is globally active, focusing on the areas of automation and digitalization in the process and manufacturing industries, intelligent infrastructure for buildings and distributed energy systems, and smart mobility solutions. Siemens Aktiengesellschaft ("**Siemens AG**"), incorporated in Germany, is the parent company of the Siemens group. The Demerged Company is one of India's largest multi-national conglomerates with interests in multiple businesses.
- (ii) Siemens AG demerged its energy business globally in the year 2020 and in continuation of the aforesaid strategy, it is now proposed to demerge the Energy Business of the Demerged Company into an independent company whose equity shares will be listed on the Stock Exchanges (i.e. the Resulting Company).
- (iii) The demerger is proposed with the aim to ensure that both the Energy Business and the Remaining Business focus on their core activities, portfolios and capital allocation. This will enable both businesses to have independent and focussed management and adopt a clear,



direct and tailored go-to-market and operational approach for the respective businesses to leverage the full potential of the Indian and export markets.

- (iv) The strategic and operational separation of the Energy Business from the Remaining Business of the Demerged Company will help the businesses achieve strategic independence, financial flexibility, reduce complexities and dependencies and will sharpen strategic profiles of both the businesses.
- (v) The nature and competition involved in the Energy Business is distinct from the other businesses within the Demerged Company. In order to foster the growth of the Energy Business, differentiated strategy aligned to industry specific risks, market dynamics and focused approach is required.
- (vi) The following benefits are expected to accrue on demerger of the Energy Business:
 - (a) formation of a company focussing solely on Energy Business will strengthen the investment and risk profile of the business;
 - (b) the changing market environment requires constant decision making on the strategic orientation of the Energy Business, and as an autonomous and independent company, the Energy Business will be able to react to short term market and industry trends in a more flexible, quicker and resolute manner resulting in a strong, focused company with operations spanning the entire energy value chain including the service business;
 - (c) better capital allocation in accordance with the focused strategic orientation of the business;
 - (d) create greater visibility of the business and strengthen the internal and external identity thereby defining its corporate profile and its perception in the greater public;
 - (e) such specialised company can attract different sets of investors, strategic partners and other stakeholders having a specific interest in the Energy Business; and
 - (f) unlocking the value of the Energy Business for the shareholders of the Demerged Company through an independent market driven valuation of their shares in the Resulting Company which will be listed pursuant to the Scheme.
- (vii) The Scheme is in the interests of all stakeholders of the Demerged Company and the Resulting Company.

(D) PARTS OF THE SCHEME

The Scheme is divided into the following parts:

1. **PART I** deals with the definitions, share capital of the Parties (*as defined hereinafter*), date of taking effect and implementation of this Scheme.
2. **PART II** deals with: (i) the demerger, transfer and vesting of the Demerged Undertaking from the Demerged Company into the Resulting Company on a *going concern* basis and issue of equity shares by the Resulting Company to the shareholders of the Demerged Company, in consideration thereof; and (ii) reduction and cancellation of the entire pre-scheme share capital of the Resulting Company.



3. **PART III** deals with the general terms and conditions applicable to this Scheme.

PART I

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

1. DEFINITIONS

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

"Act" means the Companies Act, 2013;

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

"Appointed Date" means the 1st day of the month in which the Effective Date occurs or such other date as may be approved by the Boards of the Demerged Company and the Resulting Company;

"Appropriate Authority" means:

- (i) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, Tribunal, central bank, commission or other authority thereof;
- (ii) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, statutory, licensing, competition, Tax, importing, exporting or other governmental or quasi-governmental authority including without limitation, Competition Commission of India, SEBI and the Tribunal; and
- (iii) any Stock Exchange.

"Board" in relation to a Party, means the board of directors of such Party, and shall include a committee of directors or any person authorized by such board of directors or such committee of directors;

"Demerged Company" means Siemens Limited, a company incorporated under the Companies Act, 1956, having Corporate Identity Number L28920MH1957PLC010839 and its registered office at Birla Aurora, Level 21, Plot No. 1080 Dr. Annie Besant Road, Worli, Mumbai – 400 030, Maharashtra, India;

"Demerged Undertaking" means the undertaking of the Demerged Company pertaining to the Energy Business as on the Appointed Date and shall include (without limitation):



- (i) all movable properties of the Demerged Company in relation to the Energy Business including hire purchase and lease arrangements, real or personal, corporeal or incorporeal or otherwise, present, future, contingent, tangible or intangible, and associated capital costs, plant and equipment, furniture and fixtures, office equipment, vehicles, capital work in progress, trade receivables, advances, derivative contracts, inventories, security deposits, prepaid expenses, contract assets, title, interest, cash and bank balances, bills of exchange, or other financial or non-financial assets, funds, and all other services of every kind, nature and description whatsoever and all the rights, title, interests, goodwill, benefits, fiscal incentives, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company pertaining to the Energy Business;
- (ii) all immovable properties of the Demerged Company in relation to the Energy Business including land together with buildings and structures standing thereon (whether leasehold, leave and license, rights of way, tenancies or otherwise) including offices, warehouses, workshops, sheds, stores, storages, cooling stations, etc. benefits of any rental agreement for any use of premises which immovable properties are currently in use for the purpose of conducting Energy Business and all documents of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interests in connection with the said immovable properties. It is clarified that, in so far as the immovable property(ies) of the Demerged Company used for carrying out both, the Remaining Business as well as the Energy Business, only such portion of the leased or owned immovable property(ies) utilised for carrying out the Energy Business will stand transferred and/ or assigned, as the case may be, to the Resulting Company, as may be mutually agreed between the Demerged Company and the Resulting Company;
- (iii) letters of approval for setting up of generation, transmission, distribution of power and related infrastructure as well as for conducting operations;
- (iv) investments in subsidiaries and joint ventures engaged in Energy Business, if any;
- (v) branches, liaison offices and representative offices abroad, engaged in the Energy Business, if any;
- (vi) Demerged Undertaking Liabilities;
- (vii) all obligations and duties, both present and future (including obligations under any licenses or Permits or schemes) of every kind, nature and description whatsoever and howsoever arising, pertaining to the Energy Business;
- (viii) all books, records, files, papers, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, pertaining to the Energy Business;
- (ix) contracts, agreements, schemes, arrangements, Know Your Customer (KYC) details and any other instruments pertaining to the Energy Business;
- (x) all refunds, reimbursements, claims, concessions, exemptions, benefits including sales tax deferrals, goods and service tax credit, deductions and benefits under the relevant Law or any other Taxation statute pertaining to the Energy Business;



- (xi) all Permits, quotas, incentives, powers, authorities, allotments, rights, benefits, advantages, pertaining to the Energy Business;
- (xii) all intellectual property and intellectual property rights, brands, logos, designs, labels, tradenames and trademarks of the Demerged Company pertaining to the Energy Business (including any applications for the same) of any nature whatsoever, including all books, records, files, papers, engineering and process information, computer programs, domain names, software licenses (whether proprietary or otherwise), research and studies, technical knowhow, confidential information and other benefits, drawings, manuals, data, catalogues, quotations, sales and advertising materials, investor credit information, pricing information, and other records whether in physical or electronic form pertaining to Energy Business;
- (xiii) entire experience, credentials, past record and market share of the Demerged Company pertaining to the Energy Business; and
- (xiv) all employees engaged in the Energy Business.

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

"Demerged Undertaking Liabilities" means the liabilities as defined in Clause 4.3.1 of the Scheme;

"Effective Date" means the date of the final order passed by the Tribunal sanctioning the Scheme. References in this Scheme to the date of **"coming into effect of this Scheme"** or **"upon the Scheme becoming effective"** shall mean the Effective Date;

"Energy Business" means the business unit (including allocated support functions) of the Demerged Company engaged in providing fully integrated products, solutions and services across the energy value chain of oil and gas production, power generation and transmission for various customers such as utilities, independent power producers and engineering, procurement and construction (EPC) companies comprising of the entire part of the business and activities which is reported within the Demerged Company under the 'Energy Business Segment';

"Financial Quarter" means each calendar quarter i.e. period from (i) 1 October to 31 December; (ii) 1 January to 31 March; (iii) 1 April to 30 June; and (iv) 1 July to 30 September of each financial year;

"GST" means the central tax as defined under the Central Goods and Services Tax Act, 2017, the integrated tax as defined under the Integrated Goods and Services Tax Act, 2017, the State tax as defined under State Goods and Services Tax statutes and the UTGST under the Union Territory Goods and Services Act, 2017;

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

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

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

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



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

"Record Date" means the date to be fixed by the Board of the Demerged Company in consultation with the Board of the Resulting Company for the purpose of determining the shareholders of the Demerged Company for issuance and allotment of the Resulting Company New Equity Shares;

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

"Resulting Company" means Siemens Energy India Limited, a company incorporated under the Act, having Corporate Identity Number U28110MH2024PLC418770 and having its registered office at Birla Aurora, Level 21, Plot No. 1080 Dr. Annie Besant Road, Worli, Mumbai – 400 030, Maharashtra, India;

"Resulting Company New Equity Shares" means fully paid-up equity share(s) having face value of Rs. 2 (Rupees Two) each issued by the Resulting Company as consideration in terms of Clause 8.1 of this Scheme;

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

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

"SEBI" means the Securities and Exchange Board of India;

"SEBI Circular" means the master circular issued by the SEBI bearing reference no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and any amendments thereof issued pursuant to Regulations 11, 37 and 94 of the SEBI LODR Regulations;

"SEBI LODR Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

"Stock Exchanges" means BSE Limited and National Stock Exchange of India Limited collectively and Stock Exchange shall mean each of them, individually;

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

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

"Tribunal" means the Mumbai bench of the National Company Law Tribunal having jurisdiction over the Parties.

1.2 In this Scheme, unless the context otherwise requires:

- (i) reference to statutory provisions shall be construed as meaning and including references also



to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions;

- (ii) words denoting the singular shall include the plural and words denoting any gender shall include all genders;
- (iii) headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of this Scheme and shall be ignored in construing the same;
- (iv) reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and
- (v) in the event that the Parties enter into any definitive agreement in relation to this Scheme or any subject matter hereof, the provisions of such definitive agreement shall be binding on the Parties.

2. SHARE CAPITAL

2.1 The share capital of the Demerged Company as on 14 May 2024 is as follows:

Particulars	Rs.
Authorised share capital	
100,00,00,000 equity shares of INR 2 each	200,00,00,000
Total	200,00,00,000
Issued share capital	
35,69,83,950 equity shares of INR 2 each	71,39,67,900
Total	71,39,67,900
Subscribed and paid-up share capital	
35,61,20,255 equity shares of INR 2 each	712,240,510
Total	712,240,510

2.2 The share capital of the Resulting Company as on 14 May 2024 is as follows:

Particulars	Rs.
Authorised share capital	
50,000 equity shares of INR 2 each	1,00,000
Total	1,00,000
Issued, subscribed and paid-up share capital	
50,000 equity shares of INR 2 each	1,00,000
Total	1,00,000

The entire share capital of the Resulting Company is held by the Demerged Company and its nominees.

3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

The Scheme shall become effective from the Appointed Date but shall become operative from the Effective Date.



PART II

DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

4. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

Upon coming into effect of the Scheme, with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(19AA) of the Income Tax Act, all assets, Permits, contracts, liabilities, loan, duties and obligations of the Demerged Undertaking shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company on a going concern basis, so as to become the assets, Permits, contracts, liabilities, loan, duties and obligations of the Resulting Company by virtue of operation of law, and in the manner provided in this Scheme. Without prejudice to the generality of this Clause, the manner of transfer of the Demerged Undertaking under this Scheme, is as follows:

4.1 Movable Assets

4.1.1 Upon coming into effect of the Scheme and with effect from the Appointed Date, the assets and properties forming part of the Demerged Undertaking which are movable and tangible in nature and all intangible assets, including but not limited to intellectual property and intellectual property rights and any applications for the same, brands, trademarks forming part of the Demerged Undertaking, whether registered or unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights and such other industrial and intellectual property rights of whatsoever nature or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company to the Resulting Company by operation of law and without any other or further order to this effect, become the assets and properties of the Resulting Company without requiring any deed or instrument of conveyance for transfer of the same. The transfer pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or recordal, pursuant to this Scheme, as appropriate to the property being transferred, and title to the property shall be deemed to have been transferred accordingly; and

4.1.2 Upon the Scheme becoming effective and with effect from the Appointed Date, the moveable assets of the Demerged Undertaking other than those referred to in Clause 4.1.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and/or be deemed to be transferred to the Resulting Company by operation of law as transmission in favour of the Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required.

4.2 Immovable Assets

4.2.1 Upon the Scheme becoming effective and with effect from the Appointed Date, 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, whether freehold or leasehold (including but not limited to land, buildings, sites, tenancy rights related thereto and immovable property and any other document of title, rights, interest and easements in relation thereto), shall stand transferred to the Resulting Company by operation of law and without any act or deed or conveyance being required to be done or executed by the Demerged Company and/or the Resulting Company. It is clarified that, in so far as the immovable property(ies) of the Demerged Company used for carrying out both, the Remaining Business as well as the Energy Business, only such portion of the leased or owned immovable property(ies) utilised for carrying out the Energy Business will stand transferred and/ or assigned, as the case may be, to the Resulting Company, as may be mutually agreed between the Demerged Company and the Resulting Company;

- 4.2.2 For the avoidance of doubt and without prejudice to the generality of Clause 4.2.1 above and Clause 4.2.3 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 order of the Tribunal approving this Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents (including deeds of assignments) as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 4.2.2 or Clause 4.2.3 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document (including deeds of assignments) under which the transfer of any part of the Demerged Undertaking takes place and the Demerged Undertaking shall be transferred by operation of law solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme; and
- 4.2.3 Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and transfer to the Resulting Company, if the Resulting Company so decides, the Parties 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.

4.3 Demerged Undertaking Liabilities

- 4.3.1 Upon the Scheme becoming effective and with effect from the Appointed Date, all debts, liabilities (including employees related liabilities), loans, obligations and duties of the Demerged Company as on the Appointed Date and pertaining to the Energy Business ("**Demerged Undertaking Liabilities**") shall, by operation of law and without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Appointed Date. The term 'Demerged Undertaking Liabilities' shall include:

- 4.3.1.1 the debts, liabilities, obligations incurred and duties of any kind, nature or description (including contingent liabilities) which arise out of the activities or operations of the Demerged Undertaking;



4.3.1.2 the specific loans or borrowings utilized solely for the activities or operations of the Demerged Undertaking; and

4.3.1.3 in cases other than those referred to in Clauses 4.3.1.1 or 4.3.1.2 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.

4.4 Contracts

4.4.1 All contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, rights, entitlements, leases and licenses for the purpose of carrying on the business of 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 operation of law pursuant to the order of the Tribunal sanctioning the Scheme be deemed to be contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, rights, entitlements, licenses (including the licenses granted by any Appropriate Authority) of the Resulting Company. Such contracts, 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, properties and rights 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 effectiveness of the Scheme and with effect from the Appointed Date, the rights, benefits, privileges, duties, liabilities, obligations and interest whatsoever, arising from or pertaining to contracts, properties and rights pertaining 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 Resulting Company shall be the successor in the interest of the Demerged Company in relation to the properties or rights mentioned hereinabove;

4.4.2 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 Effective 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 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; and



- 4.4.3 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 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.

4.5 Permits

- 4.5.1 Upon effectiveness of the Scheme and with effect from the Appointed Date, the Permits of the Demerged Undertaking (including without limitation the environmental permits and the permits for operation) 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 the 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 by operation of law and without any further act 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 under the same shall be available to the Resulting Company; and

- 4.5.2 Upon effectiveness of the Scheme and with effect from the Appointed Date, the benefit of all Permits pertaining to the Demerged Undertaking shall be deemed to have been assigned, transferred and vested to the Resulting Company by operation of law and without any further act or deed and other order to this effect, stand assigned, transferred and vested into and become available to the Resulting Company.

- 4.6 Notwithstanding the generality of the foregoing provisions, all electricity, gas, water and any 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 transferred in favour of the Resulting Company on the same terms and conditions by operation of law and without any further act, instrument, deed, matter or thing being made, done or executed. The relevant electricity, gas, water and any other utility companies, boards, agencies and authorities shall issue invoices in the name of the Resulting Company with effect from the billing cycle commencing from the month immediately succeeding the month in which the Effective Date occurs. The Resulting Company shall comply with the terms, conditions and covenants associated with the grant of such connection and shall also be entitled to refund of security deposits placed with such companies, boards, agencies and authorities in respect of the Demerged Undertaking.
- 4.7 Subsequent to the Effective Date, the Demerged Company may, at the request of the Resulting Company, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, or deposit, contracts or policies relating to the Demerged Undertaking stands transferred to the Resulting Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.
- 4.8 In so far as the encumbrances, if any, in respect of the Demerged Undertaking Liabilities are concerned such encumbrances shall, by operation of law and without any further act, instrument or deed being



required to be taken or modified, be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been encumbered in respect of the Demerged Undertaking Liabilities as transferred to the Resulting Company pursuant to this Scheme. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the encumbrances over such assets relating to any loans, liabilities, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which continue with the Demerged Company shall without any further act, instrument or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities and the Demerged Company shall provide such other security that may be agreed between the Demerged Company and the respective lenders having the encumbrance. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

- 4.9 Subject to any other provisions of this 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.
- 4.10 On and from the Effective Date and till such time that the name of the bank accounts of the Demerged Company, pertaining to the Demerged Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to maintain and operate such bank accounts of the Demerged Company, in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking, after the Effective Date shall be credited to the account of the Resulting Company.
- 4.11 Upon effectiveness of the Scheme and with effect from the Appointed Date, the entire experience, credentials, past record and market share of the Demerged Company pertaining to the Energy Business shall stand transferred to the Resulting Company.
- 4.12 Without prejudice to the provisions of the foregoing sub-clauses of this Clause 4 and upon the effectiveness of this Scheme, the Parties may execute any and all instruments or documents and do all acts, deeds and things as may be required, including executing necessary confirmatory deeds for filing with the trademark registry and Appropriate Authorities, filing of necessary particulars and/ or modification(s) of charge with the concerned RoC or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to this Scheme. The Demerged Company shall take such actions as may be necessary to get the assets and liabilities pertaining to the Demerged Undertaking transferred to and registered in, the name of the Resulting Company, as per Applicable Law.

5. EMPLOYEES

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



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

6. LEGAL PROCEEDINGS

- 6.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands, legal and other proceedings of whatsoever nature (other than Tax related litigations) by or against the Demerged Company pending and/or arising on or before the Effective Date or which may be instituted at any time thereafter and in each case relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme and shall be continued and be enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. The Resulting Company shall be substituted in place of the Demerged Company or added as party to such proceedings and shall prosecute or defend all such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall stand nullified. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Demerged Undertaking.
- 6.2 The Resulting Company undertakes to have all legal and other proceedings initiated by or against the Demerged Company referred to in Clause 6.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company on priority. The Parties shall make relevant applications and take all steps as may be required in this regard.

7. TAXES

- 7.1 If the Demerged Company is entitled to any unutilized Tax credits or benefits (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 this Scheme, to claim such benefit or incentives or unutilised Tax credits, as the case may be, without any specific approval or permission and such benefit or incentives or unutilised credits, as the case may be, shall be available for utilisation to the Resulting Company in accordance with Applicable Law.
- 7.2 Upon the Scheme becoming effective, the Parties shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Tax Law 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, Section 40(a)(ia) and Section 40 (a)(i) and other applicable provisions 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.
- 7.3 Any actions taken by the Demerged Company to comply with Tax Laws (including payment of Taxes, maintenance of records, payments, returns, Tax filings, etc.) in respect of the Demerged Undertaking on and from the Appointed Date up to the Effective Date shall be considered as adequate compliance by the Demerged Company with such requirements under the Tax Laws and such actions shall be



deemed to constitute adequate compliance by the Resulting Company with the relevant obligations under such Tax Laws.

7.4 Notwithstanding any other provision of this Scheme:

7.4.1 Tax related assets (except as stated in Clause 7.4.2 and applicable deferred tax assets), liabilities (except applicable deferred tax liabilities) and/ or demands pertaining to the Demerged Company will not be transferred to the Resulting Company; and

7.4.2 Any unutilized GST credits pertaining to the Demerged Undertaking and available in the electronic input GST credit ledger of the Demerged Company maintained by Goods and Services Tax Network (GSTN) shall be transferred by the Demerged Company to the Resulting Company in accordance with Applicable Laws, whereby the Demerged Company and the Resulting Company shall take such actions as may be necessary under Applicable Law to effect such transfer.

7.5 If the Demerged Company makes any payment to discharge any direct Tax liabilities under Tax Laws that relate exclusively or predominantly to the activities or operations of the Demerged Undertaking on or after the Appointed Date, the Resulting Company shall promptly pay or reimburse the Demerged Company for such payment. If the Resulting Company makes any payment to discharge any direct Tax liabilities under Tax Laws that relate exclusively or predominantly to the activities or operations of the Demerged Undertaking prior to the Appointed Date, the Demerged Company shall promptly pay or reimburse the Resulting Company for such payment.

8. CONSIDERATION AND DISCHARGE OF CONSIDERATION

8.1 Upon effectiveness of this Scheme and in consideration of and subject to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to the shareholders of the Demerged Company whose name is recorded in the register of members and records of the depository as shareholders of the Demerged Company as on the Record Date, as under:

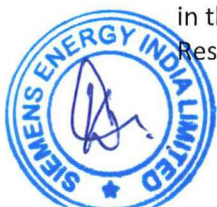
1 (One) fully paid-up equity share of the Resulting Company having face value of Rs. 2 (Rupees Two) each for every 1 (One) fully paid-up equity share of Rs. 2 (Rupees Two) each of the Demerged Company.

The equity shares of the Resulting Company to be issued pursuant to this Clause 8.1 shall be referred to as "**Resulting Company New Equity Shares**".

8.2 The Resulting Company New Equity 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 Resulting Company New Equity Shares.

8.3 The Resulting Company New Equity Shares that are to be issued in terms of this Scheme shall be issued in dematerialised form. Prior to the Record Date, the eligible shareholders of the Demerged Company, who hold shares in physical form (if any) shall provide such confirmation, information and details as may be required, relating to his/ her/ its account with a depository participant, to the Resulting Company to enable it to issue the Resulting Company New Equity Share(s) in dematerialised form.

8.4 For the purpose of allotment of the Resulting Company New Equity Shares pursuant to this Scheme, in the event, if any eligible shareholder of the Demerged Company holds shares in physical form, the Resulting Company shall deal with the relevant shares in such manner as they may deem fit and in the



best interest of such eligible shareholder, including by way of issuing the Resulting Company New Equity Share(s) in dematerialised form to a trustee nominated by the Board of the Resulting Company (**"Trustee of the Resulting Company"**) who shall hold these equity shares in trust for the benefit of such shareholder. The Resulting Company New Equity Share(s) held by the Trustee of the Resulting Company for the benefit of such eligible shareholders shall be transferred to the respective eligible shareholder once they provide details of his/her/its demat account to the Trustee of the Resulting Company, along with such other documents as may be required by the Trustee of the Resulting Company.

- 8.5 The issue and allotment of the Resulting Company New Equity Shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or its shareholders and as if the procedure laid down under the Act and such other Applicable Law, were duly complied with. It is clarified that the approval of the shareholders of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of the Resulting Company New Equity Shares under applicable provisions of the Act.
- 8.6 The equity shares to be issued pursuant to this Scheme in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Resulting Company.
- 8.7 Without prejudice to Clause 8.6 above, as and when the Demerged Company allots its equity shares to its shareholders whose right to subscribe to their entitlement under the rights issue of the Demerged Company was kept in abeyance, the Resulting Company shall, upon receipt of the confirmation from the Demerged Company together with relevant details of the shareholders, issue and allot Resulting Company New Equity Shares in terms of Clause 8.1 of the Scheme to such shareholders of the Demerged Company in the proportion of such shares of the Demerged Company kept in abeyance as on the Record Date.
- 8.8 The Resulting Company New Equity Shares to be issued by the Resulting Company in respect of the equity shares of the Demerged Company held in the unclaimed suspense account and suspense escrow account shall be credited to a new unclaimed suspense account and suspense escrow account respectively, created for shareholders of the Resulting Company.
- 8.9 The Resulting Company New Equity Shares to be issued by the Resulting Company in respect of the shares of the Demerged Company held in the Investor Education and Protection Fund shall be credited to the Investor Education and Protection Fund.
- 8.10 In the event, the Demerged Company and/ or the Resulting Company restructure their share capital by way of share split/ consolidation/ issue of bonus shares during the pendency of the Scheme, the share entitlement ratio, as per Clause 8.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions.
- 8.11 Upon the Scheme becoming effective but prior to the issuance of the Resulting Company New Equity Shares, the Resulting Company shall increase its authorised share capital in an appropriate manner so as to enable it to issue the Resulting Company New Equity Shares in the manner provided herein.
- 8.12 The Resulting Company shall apply for listing of its equity shares on the Stock Exchanges in terms of and in compliance of the SEBI Circular and other relevant provisions as may be applicable. The Resulting Company New Equity Shares allotted by the Resulting Company in terms of Clause 8.1 above, pursuant to this Scheme, shall remain frozen in the depository system till listing/ trading permission is



given by the designated Stock Exchange. Further, there shall be no change in the shareholding pattern of the Resulting Company between the Record Date and the listing of its equity shares which may affect the status of approval of the Stock Exchanges.

- 8.13 The Resulting Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.

9. ACCOUNTING TREATMENT

The Parties shall comply with generally accepted accounting principles in India, provisions of the Act and accounting standards notified under Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") as amended from time to time, in relation to the underlying transactions in the Scheme including but not limited to the following:

9.1 In the books of the Demerged Company

Notwithstanding anything contained in any other clause in the Scheme, the Demerged Company shall give effect to the demerger of the Demerged Undertaking in its books of account by applying the accounting principles as prescribed under the Ind AS notified under Section 133 of the Act and on and from the Appointed Date. The accounting in the books of accounts of the Demerged Company is as follows:

- 9.1.1 The Demerged Company shall de-recognize the carrying amounts of (i) the assets; and (ii) liabilities allocated to the Demerged Undertaking and being transferred to the Resulting Company pursuant to this Scheme; and
- 9.1.2 The difference between (A) the carrying amount of assets, and (B) the carrying amount of liabilities being transferred from the Demerged Company pursuant to this Scheme after giving effect to Clause 9.1.1 above, shall be adjusted to the retained earnings of the Demerged Company.

9.2 In the books of the Resulting Company

Notwithstanding anything contained in any other clause in the Scheme, the Resulting Company shall account for the Demerged Undertaking in its books of accounts by applying the principles prescribed in accordance with Ind AS 103, Business Combinations, Appendix C - Business Combinations of entities under common control and other accounting principles prescribed under the Ind AS notified under Section 133 of the Act and on the date determined in accordance with Ind AS. The Resulting Company shall account for the Demerged Undertaking as follows:

- 9.2.1 Upon the coming into effect of this Scheme, the Resulting Company shall record (i) the assets; and (ii) liabilities, as transferred to and vested in it pursuant to this Scheme at their respective carrying amounts as appearing in the books of the Demerged Company in accordance with Ind AS;
- 9.2.2 The Resulting Company shall credit to its share capital in its books of account, the aggregate face value of the Resulting Company New Equity Shares issued by it to the shareholders of the Demerged Company pursuant to Clause 8 of this Scheme;
- 9.2.3 The difference between (A) the carrying amount of assets, and (B) the carrying amount of liabilities recorded in the books of the Resulting Company pursuant to this Scheme after giving effect to Clause 9.2.1 and the face value of the Resulting Company New Equity Shares issued



and allotted to the shareholders of the Demerged Company after giving effect to Clause 9.2.2 shall be credited to the capital reserve of the Resulting Company; and

9.2.4 The financial statements of the Resulting Company shall be restated, as per the requirements of Appendix C of Ind AS 103.

10. ANCILLARY PROVISIONS

10.1 The carrying amounts of (i) cashflow hedge reserves; and (ii) stock option reserves allocated to the Demerged Undertaking and being transferred to the Resulting Company pursuant to this Scheme shall be adjusted to the retained earnings of the Demerged Company.

10.2 The Demerged Company shall, as an integral part of the Scheme, transfer such amounts from its general reserves and retained earnings equal to the excess of the book value of the assets over the book value of the liabilities and allocated reserves as per Clause 10.1, demerged and being transferred from the Demerged Company to the Resulting Company. The ratio between such transferred general reserves and retained earnings shall be equal to the ratio between the general reserves and retained earnings as appearing in the books of the Demerged Company on the Appointed Date. It is clarified that the retained earnings pursuant to Clauses 9.1.2 and 10.1 above shall be adjusted to the extent of the reserves transferred pursuant to this Clause.

10.3 Similarly, the Resulting Company shall appropriately record the general reserves, cashflow hedge reserves, stock option reserves and retained earnings allocated to the Demerged Undertaking and transferred and vested in the Resulting Company pursuant to Clause 10.1 and Clause 10.2 of this Scheme as on the Appointed Date. It is clarified that the credit balance of the capital reserve pursuant to Clause 9.2.3 above, shall be adjusted to the extent of the cashflow hedge reserves, stock option reserves, general reserves and retained earnings allocated and transferred pursuant to Clauses 10.1 and 10.2 of this Scheme.

10.4 The transfer, recognition and adjustments of reserves in terms of Clauses 10.1, 10.2 and 10.3 above shall result in reorganisation and/or reduction of share capital and/or capital reserves of the Demerged Company and the Resulting Company, as the case may be, and the same shall be effected pursuant to Sections 230 to 232 of the Act and as an integral part of the Scheme.

10.5 It is clarified that the approval of the shareholders of the Demerged Company and the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the reorganisation and/or reduction of the share capital and/or capital reserves of the Demerged Company and the Resulting Company, as the case may be, under applicable provisions of the Act.

10.6 Notwithstanding the reduction in the share capital of the Demerged Company, the Demerged Company shall not be required to add 'And Reduced' as suffix to its name.

11. REDUCTION AND CANCELLATION OF ENTIRE PRE-SCHEME SHARE CAPITAL OF THE RESULTING COMPANY

11.1 Upon allotment of the Resulting Company New Equity Shares, the entire pre-Scheme paid-up share capital of the Resulting Company ("**Resulting Company Cancelled Shares**") shall stand cancelled and reduced, without any consideration, which shall be regarded as reduction of share capital of the Resulting Company, pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme.

11.2 The Resulting Company shall debit its share capital account in its books of account with the aggregate face value of the Resulting Company Cancelled Shares and credit capital reserve for the same amount.



- 11.3 It is clarified that the approval of the shareholders of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the reduction of the share capital of the Resulting Company under applicable provisions of the Act.
- 11.4 Notwithstanding the reduction in the share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.

PART III

GENERAL TERMS & CONDITIONS

12. REMAINING BUSINESS OF THE DEMERGED COMPANY

- 12.1 The Remaining Business of the Demerged Company shall continue to belong to and be owned and managed by the Demerged Company. The Demerged Company shall continue to be liable to perform and discharge all its liabilities and obligations in relation to the Remaining Business of the Demerged Company and the Resulting Company shall not have any liability or obligation in relation to the Remaining Business of the Demerged Company.
- 12.2 Without prejudice to the provisions of this Scheme, upon effectiveness of the Scheme, if any part of the Demerged Undertaking is not transferred to the Resulting Company, the Demerged Company, shall take such actions as may be reasonably required to ensure that such part of the Demerged Undertaking is transferred to the Resulting Company promptly and for no further consideration.
- 12.3 Further, no part of the Remaining Business shall be transferred to the Resulting Company pursuant to the demerger. If any part of the Remaining Business is inadvertently held by the Resulting Company after the Effective Date, the Resulting Company shall take such actions as may be reasonably required to ensure that such part of the Remaining Business is transferred back to the Demerged Company, promptly and for no consideration.

13. SAVING OF CONCLUDED TRANSACTIONS

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

14. FACILITATION PROVISIONS

- 14.1 The demerger under Part II of the Scheme complies with the definition of 'demerger' as per Section 2(19AA) and other provisions of the Income Tax Act. If any terms of this Scheme are found to be or interpreted to be inconsistent with provisions of the Income Tax Act, then this Scheme shall stand modified to be in compliance with Section 2(19AA) of the Income Tax Act.
- 14.2 It is clarified that all guarantees provided by the Demerged Company in respect of the Demerged Undertaking shall be valid and subsisting till adequate arrangements/ guarantees have been provided in respect of the same by the Resulting Company.
- 14.3 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 shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the demerger of the Demerged Undertaking, in accordance with the provisions



of Sections 230 to 232 of the Act. The Resulting Company shall always be deemed to have been authorized to execute any pleadings, applications, forms etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, the Resulting Company shall be entitled to exercise all rights and privileges and 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 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. It is clarified that the Resulting Company shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/or substitution.

- 14.4 Upon the Scheme becoming effective, all contracts, agreements (including joint venture agreements, memorandum of understandings, consortium agreements), undertakings of whatsoever nature, whether written or otherwise, deeds, bonds, arrangements, service agreements, or other instruments, executed by the Demerged Company, in relation to the Demerged Undertaking, shall stand transferred to and vested in the Resulting Company, pursuant to the Scheme, and the Resulting Company shall be deemed to be a party to such agreements instead of the Demerged Company, and approval of shareholders of the Demerged Company and the Resulting Company to the Scheme shall be deemed to be their approval as required under Section 188 of the Act and Regulation 23 of the SEBI LODR Regulations and no separate approval shall be obtained by the Demerged Company and the Resulting Company, in this regard.

15. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of this Scheme, the resolutions/ power of attorney executed by the Demerged Company in relation to the Demerged Undertaking, as the case may be, as considered necessary by the Board of the Resulting Company in relation to the Demerged Undertaking that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Resulting Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Resulting Company shall be added to the limits, if any, under like resolutions passed by the Resulting Company, and shall constitute the aggregate of the said limits in Resulting Company.

16. BUSINESS UNTIL THE EFFECTIVE DATE

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

16.1.1 The Demerged Company shall carry on the business of the Demerged Undertaking with reasonable diligence and business prudence and in the same manner as it had been doing hitherto; and

16.1.2 The Resulting Company shall be entitled, pending the sanction of this Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which the Resulting Company may require to carry on the relevant business that is being transferred and vested in terms of this Scheme, including giving effect to the Scheme.



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

- 16.2.1 The Demerged Company shall be deemed to have been carrying on and shall carry on its businesses and activities in relation to the Demerged Undertaking and shall hold and stand possessed of the assets of the Demerged Undertaking for and on account of, and in trust for the Resulting Company;
- 16.2.2 all profits or income arising or accruing to the Demerged Company in relation to the Demerged Undertaking or losses arising or incurred by the Demerged Company in relation to the Demerged Undertaking shall, for all purposes, be treated as and deemed to be the profits or income or losses of the Resulting Company; and
- 16.2.3 all loans raised and all liabilities and obligations incurred by the Demerged Company in relation to the Demerged Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company, and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of the Resulting Company.

17. PROPERTY IN TRUST

Notwithstanding anything contained in this Scheme, on or after the Effective Date, as the case may be, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Demerged Undertaking is transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Resulting Company, the Resulting 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 Parties, the Demerged Company will continue to hold the property and/or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, in trust for and on behalf of the Resulting Company.

18. APPLICATIONS/PETITIONS TO THE TRIBUNAL

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

19. MODIFICATION OR AMENDMENTS TO THIS SCHEME

- 19.1 The Boards of the Parties may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate.
- 19.2 The Boards of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.
- 19.3 For the purposes of giving effect to this Scheme or to any modification hereof, the Board of the Demerged Company or the Board of the Resulting Company, acting jointly or individually, as may be



relevant, give such directions including directions for settling any question or difficulty that may arise and such directions shall be binding on the Resulting Company as if the same were specifically incorporated in this Scheme.

20. CONDITIONS PRECEDENT

20.1 Unless otherwise decided (or waived) by Parties, the Scheme is conditional upon and subject to the following conditions precedent:

20.1.1 approval of the Scheme by the requisite majority of each class of shareholders and such other classes of Persons of the Parties, if any, as applicable or as may be required under the Act and as may be directed by the Tribunal; and

20.1.2 the Demerged Company complying with other provisions of the SEBI Circular, including seeking approval of its shareholders through e-voting.

20.2 It is hereby clarified that submission of this Scheme to the Tribunal and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, title, or defences that Parties may have under or pursuant to all Applicable Law.

20.3 On the approval of this Scheme by the shareholders of the Parties and such other classes of Persons of the Parties, if any, pursuant to Clause 19.1.1, 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 in relation to the Scheme.

21. WITHDRAWAL OF THIS SCHEME

21.1 Parties, acting jointly, shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.

21.2 In the event of withdrawal of the Scheme under Clause 20.1 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their respective shareholders or creditors or employees or any other Person.

21.3 In the event of any of the requisite sanctions and approvals not being obtained on or before such date as may be agreed to by the Parties, this Scheme 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.





For Siemens Energy India Limited

Director

For Siemens Ltd.

Ketan Thaker
Company Secretary