

**COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION
(UNDER SECTIONS 230-232 OF THE COMPANIES ACT, 2013 READ WITH OTHER
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES
THEREUNDER)**

AMONGST

NELCO LIMITED

AND

TATANET SERVICES LIMITED

AND

NELCO NETWORK PRODUCTS LIMITED

AND

**THEIR RESPECTIVE SHAREHOLDERS AND
CREDITORS**

1. AN OVERVIEW OF THE SCHEME

This Scheme is presented under Sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and the Rules of Companies (Compromises, Arrangements, Amalgamation) Rules, 2016 to restructure the various businesses of the Transferor Company and its subsidiaries in two phases as under:

In the first Phase (Part II and III of the Scheme) the Transferred Undertaking 1 (as defined hereinafter) and Transferred Undertaking 2 (as defined hereinafter) of the Transferor Company (as defined hereinafter) shall be transferred to and vested in the Transferee Company (as defined hereinafter) with effect from the Appointed Date (as defined hereinafter), as a going concern by way of Slump Sale (as defined hereinafter) for a lump sum consideration. In consideration of the sale of the Transferred Undertaking 1 and Transferred Undertaking 2, the Transferee Company shall pay Rs. 10,08,00,000/- (Rupees Ten Crores and Eight Lakhs only) and Rs. 15,83,00,000/- (Rupees Fifteen Crores and Eighty Three Lakhs only) as a lump sum consideration respectively in cash to the Transferor Company within 6 months from the Effective Date (as defined hereinafter).

In the second Phase (Part IV of the Scheme), the Amalgamating Company (as defined hereinafter) will amalgamate with the Amalgamated Company (as defined hereinafter). Accordingly, all assets and liabilities of the Amalgamating Company shall be transferred to and vest in the Amalgamated Company with effect from the Appointed Date as a going concern. The entire share capital of the Amalgamating Company is held by the Amalgamated Company. Therefore the Amalgamated Company shall not be required to issue shares or pay any consideration to the Amalgamating Company or its shareholders.

2. DESCRIPTION OF COMPANIES

2.1 Nelco Limited

2.1.1 Nelco Limited (CIN: L32200MH1940PLC003164) ("Nelco" or "Amalgamated Company" or "Transferor Company") is a listed public company limited by shares, incorporated under the provisions of the Companies Act, 1913, on 31st August, 1940 under the name "The National Radio & Engineering Company Limited" vide certificate of incorporation no. 3164 dated 31st August, 1940 issued by the Registrar of Companies.

2.1.2 The name of The National Radio & Engineering Company Limited was changed to The National Ekco Radio & Engineering Company Limited and a fresh certificate no. 3164 dated 28th May, 1949 was issued by the Registrar of Companies, Bombay. Subsequently, the name of The National Ekco Radio & Engineering Company Limited was changed to The National Radio & Electronics Company Limited and certificate of change of name no. 3164/TA dated 6th August, 1969 was issued by the Asstt. Registrar of Companies, Maharashtra, Bombay. The name of The National Radio & Electronics Company Limited was further changed to Nelco Limited and a fresh certificate of incorporation bearing no. 11-3164 dated 28th September, 1999 was issued by the Asstt. Registrar of Companies, Maharashtra, Bombay.

2.1.3 The registered office of Nelco is situated at EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai - 400710.

2.1.4 The main objects of Nelco as per its memorandum of association are inter alia as under:

"III (1) To carry on in India or elsewhere business as manufactures, importers and exporters of and dealers in Radios, Radio Receiving and Transmitting Sets and their component parts, Wireless Apparatus and appliances and radio, electrical, and engineering materials, goods, machinery and requisites and as



Radio, Electrical, Mechanical and General Engineers and Contractors and as manufactures and workers in materials of any nature and kind, and as exporters and importers of and dealers in articles and goods of all descriptions.

(1-A) To carry on in India or elsewhere the business of manufactures, assemblers, buyers, sellers, importers, exporters, dealers in, hirers and distributors of

(a) Radios, radio products, radio apparatus and equipment, radio receivers of all kinds such as table sets, portable sets, transistors, car radios, record players, radiograms, television receivers, tape recorders, dictating machines and electronic apparatus and equipment of all kinds and cabinets, component parts and accessories thereof of every kind and description including coils, resistors, condensers, transformers, loud-speakers, valves, transistors, diodes, photocells, storage batteries wet and dry and all other mechanical, electrical and electronic parts, and parts made from metal, wood, plastic, glass and other materials.

(b) All equipment and instruments for recording, amplifying, reproducing or transmitting voices, sound, light, vision, impulses and signals and components and parts thereof.

(c) All kinds of radio and electronic equipment and products of every description and kind including broadcasting and television transmitters, wireless receiving and transmitting apparatus, direction finding equipment, sonar and radio sounder, electrical testing and measuring instruments, electronic equipment components and accessories, panels, meters, telecommunication cable and cable accessories, intercom sets, radio links, carrier frequency equipment, analogue and digital computers, letter sorting and ticket issuing machines and components and parts thereof.

(d) Household and commercial appliances, electrical, mechanical or otherwise of every nature and kind whatsoever including lamps, irons, washing machines, vacuum cleaners, floor polishers, water heaters, air conditioners, ovens, stoves, grillers, professional kitchen and canteen equipment and scientific and laboratory apparatus and equipment.



- (e) Optical and nautical apparatus, binoculars, microscopes, stereoscopes, glasses, lenses and appliances and instruments of every description and components and parts thereof.
- (f) Medical and surgical instruments, hearing aids, scientific and laboratory apparatus and instruments and analytical balances.
- (g) All capital equipment, machinery and apparatus required for the manufacture, testing and repairs of any or all of the above articles and products.
- (1-B) To repair, maintain, service and alter all or any of the above articles and products.
- (1-C) To carry on the business of manufacturers, assemblers, factors, builders, importers, hirers, and dealers in theatrical, film producing and studio equipments of every description, cameras, taking picture equipments of both recording and reproducing and laboratory equipments of every description, photographic apparatus, instruments, materials and products of every description and printed and other advertising matters and in connection therewith to undertake and carry out all or any of the functions, operations, services or works ordinarily or which can conveniently be undertaken and carried out by persons engaged in such business.
- (1-D) To produce, finance, exploit, turn to account and deal in motion picture plays and to conduct and carry on, in all their respective branches, the businesses of producers, manufacturers, licensors, licensees, printers, proprietors, hirers, renters, and exhibitors of and dealers in and agents for films of all and every kind and description, photographic negatives and positives, photoplays, scenarios, photographic instruments, material and products, and printed and other advertising matter and in connection therewith to undertake and carry out all or any of the functions, operations, services or work ordinarily or which can conveniently be undertaken and carried out by persons engaged in such business.
- (1-E) To carry on the business of touring cinemas for public entertainment, education and instruction and to maintain libraries of entertainment, instructional and educational films and to produce or cause to be produced films for public entertainment, education and instruction and also deal in such



other equipments, as may be essential for the purpose of education in Government, Municipal and private schools, colleges and universities.

(1-F) To establish, provide, maintain and conduct or otherwise subsidise research and development, technical laboratories and experimental workshops for scientific and technical research and experiments, and to undertake and carry on with all scientific and technical researches, experiments and tests of all kinds. And generally to encourage, promote and reward studios, researches, investigations, experiments, tests, discoveries, and invention of any kind that may be considered likely to assist any of the business which the Company is authorised to carry on.

2. To carry on the business as manufacturers and makers of and dealers in metal and other products, articles and thing of every description and kind and to carry on and conduct workshops and foundries of iron, brass and other metals and to buy sell manipulate and deal, both wholesale and retail, in products, commodities, goods, articles and things of all kinds whatsoever.

3. To construct , maintain carry out, work, sell, let on hire, and deal in Telegraphic and Wireless Apparatus and all kinds of works, machinery conveniences and things capable of being used in connection with any of the objects of the company, and in particular any cables, wires, lines, stations, exchanges, accumulators, lamps, meters and engines.

4. To carry on the business of engineers and manufacturers of Telegraphic and Wireless Works or Telegraphic and Wireless Apparatus of any nature and kind."

2.1.5 Nelco is presently engaged in the business of providing Integrated Security and Surveillance solutions ("ISSS") and providing Very Small Aperture Terminals ("VSAT") hardware and allied services consisting of network management, project management, infrastructure services, turnkey solutions for satellite communication systems, and co-location services to customers.

2.1.6 Equity shares of Nelco are listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").



2.2 Tatanet Services Limited

2.2.1 Tatanet Services Limited (CIN : U67120MH1987PLC044351) ("TNSL" or "Amalgamating Company") is an unlisted public company limited by shares, incorporated under the provisions of the Companies Act, 1956, on 12th August, 1987 under the name "Nelco Finance Private Limited" vide certificate of incorporation no. 44351 dated 12th August, 1987 issued by the Registrar of Companies.

2.2.2 The name of Nelco Finance Private Limited was changed to Tatanet Broadband Wireless Private Limited and a fresh certificate no. 11-44351 dated 2nd July, 2003 was issued by the Deputy Registrar of Companies, Maharashtra, Mumbai. Subsequently, the name of Tatanet Broadband Wireless Private Limited was changed to Tatanet Broadband Wireless Limited and certificate of change of name no. 11-44351 dated 23rd April, 2004 was issued by the Registrar of Companies, Maharashtra, Mumbai. The name of Tatanet Broadband Wireless Limited was further changed to Tatanet Services Limited and a fresh certificate of incorporation bearing no. 11-44351 dated 28th March, 2005 was issued by the Dy. Registrar of Companies, Maharashtra, Mumbai.

2.2.3 The registered office TNSL is situated at EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai - 400710.

2.2.4 The main objects of TNSL as per its memorandum of association are as under:

"III (A) 1. To carry on in India or elsewhere any business in the field of Telecommunications, Internet Services Broadband Communications Services to provide services related to E-Commerce, Electronic Data Interchange Networking, High End Voice, Data and Image Transfer Solutions, Web T.V. Online Shopping, Creation of Web sites and Web based solutions, CGI Interface FTP Access, Usenet and Telnet Internet Relay Chat, Domain Name registration and Routing Computer storage space solutions. To develop, design, conceptualize, improve, produce, reproduced, market patent, distribute, buy sell, license, provide, import, export, implement operate, support and maintain information technology and communication based products and services including those through the Internet world wise computer network, voice data and image transfer in any form including digital data packets, storage media such as floppies, disk drives, magnetic tapes, publishing multimedia. To provide services of



consultancy and training designing, coding and integrating systems for intranet and internet solutions, and to develop, configure or deal in computer hardware and systems including assemblies, sub-assemblies and other accessories, peripherals thereof, digital products, and the development and marketing of software and all types of products and services relating to the computer industry.

2. To engage in E-Commerce and related services for all kinds of products and services including merchandise, financial products and services, distribution and collection services using the worldwide computer networks and web services available and to obtain / offer agencies, tie-ups, distributorships of organizations that develop and market internet related products and services and buy, sell market distribute or deal in such products and services and acquire or rent computer/ storage space on the worldwide web or similar networks for this purpose.
3. To establish, promote, purchase, setup or connect with and/ or base any database, network, data and information processing centers and bureaus either of its own or franchise centers for dissemination or knowledge and information related to the computer, communications and information technology industry in various forms including print, video, CD-ROM, electronics media and digital media, internet, intranet, modem, fax modems, video conferencing, email, voice mail, Voice Response Systems, Multiplexes, line drivers, routers, bridges, hubs, VSATs, Radio trucking, networking, Telecom software, cable wireless networks ERP solutions and satellite communications."

2.2.5 TNSL is presently engaged in the business of providing wide area networking solutions using VSAT communication services on a pan India basis pursuant to the commercial VSAT Service provider license from Department of Telecom ("DOT"). The VSAT communication services use satellite bandwidth as a medium for connectivity. TNSL offers these services to enterprise customers across the various industry verticals as well as to Government customers.

2.2.6 TNSL is a wholly owned subsidiary of Nelco.

2.3 Nelco Network Products Limited

2.3.1 Nelco Network Products Limited (CIN : U32309MH2016PLC285693) ("NNPL" or "Transferee Company") is an unlisted public company



limited by shares, incorporated on 8th September, 2016 under the provisions of the Companies Act, 2013 vide certificate of incorporation dated 8th September, 2016 issued by the Deputy Registrar of Companies.

2.3.2 The registered office of NNPL is situated at EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai - 400710.

2.3.3 The main objects of NNPL as per its memorandum of association are as under:

"III (A) 1. To carry on the business of designers, manufacturers, assemblers, sellers, buyers, importers, exporters, stockiest, hirers, repairers, installers, developers and distributors of or otherwise dealers in all sorts of products and services in VSAT Communication, Value Added Network (VAN), Electronic Data Interchange, Datacom Network, File Transfer and Protocol Conversation, Voice Network Services, Electronic Transaction Services, High Speed VSAT based Satellite Communication Services, Video Conferencing Services, System Integration Services involving various computers, communications and electronics products/technologies and to market and sell and support various types of Satellite/data communications and electronics and electrical equipments and networks built using various products including but not limited to Routers, Switches and Computers.

2. To carry on business in and relating to research, development, manufacture, assembly, fitting up, fabricating, assembling, converting, overhauling, altering, hiring, letting on hire, improving, repairing and dealing in any or all descriptions of electrical and electronics appliances, apparatus, equipments, instruments, components as required in industrial/ defence control applications, electronic circuits, computers, entertainment equipments, space research and allied industries, telecommunications and security services.

3. To carry on the business of advising, rendering consultancy, training, developing, designing, improving, upgrading, integrating, importing, exporting, distributing, buying, selling, operating, maintaining or otherwise dealing in all types of Industrial safety, security and surveillance devices, equipments, products, systems, services, applications and projects and Electronic Commerce and related applications products, services including hardware and all types of software to all types of establishments and dealing in and setting up, operating and maintaining the infrastructure, network



computer system and related equipment and to take on lease or rent or otherwise network/gateways.

4. To carry on the business of manufacturers, operators and service providers in India or abroad of fibre optic transmission equipment, fibre optic cables, video conference equipments, digital cross connect equipment, SDH or PDH equipment, cellular telephony, radio paging, E-mail, Videotext, voice mail and allied telecommunication equipment whether directly or by franchise, lease or in association or in collaboration with other party or parties, company or companies whether Indian or foreign."

2.3.4 NNPL is yet to commence any business activity.

2.3.5 NNPL is a wholly owned subsidiary of Nelco.

3. RATIONALE

3.1 This Scheme involves the restructuring of the various businesses of Nelco and its subsidiaries by way of Arrangement and Amalgamation (as defined hereinafter). TNSL provides VSAT communication service under the commercial VSAT service provider license issued by DOT. Nelco inter alia sells and maintains VSAT hardware and provide allied services and also operates the TNSL network based on a contract with TNSL.

3.2 The rationale for the Scheme is mentioned below:

3.2.1. TNSL's revenue comes from sale of VSAT communication services, majority of which is recurring in nature. On the other hand, the revenue earned by Nelco is partially from recurring services of hardware maintenance but mainly from one time sale of hardware including VSAT equipment.

3.2.2. The organizational and operational structure would be simplified on completion of the Arrangement and Amalgamation with the VSAT communication service business vesting in Nelco, the flagship listed parent entity and the related hardware business vesting in NNPL. This would result in the recurring revenue from VSAT communication service being in Nelco and the revenue from sale of hardware including VSAT equipment being in NNPL.

3.2.3. The enhanced net worth of Nelco after the Arrangement and Amalgamation will improve its ability to bid for larger projects and pursue bigger opportunities.



4. GENERAL

4.1 This Scheme is divided into the following parts:

- 4.1.1 Part I, provides for definitions, interpretation and share capital;
- 4.1.2 Part II, provides for the transfer and vesting of Transferred Undertaking 1 of Nelco to NNPL by way of Slump Sale, discharge of consideration, accounting treatment and matters incidental thereto;
- 4.1.3 Part III, provides for the transfer and vesting of Transferred Undertaking 2 of Nelco to NNPL by way of Slump Sale, discharge of consideration, accounting treatment, and matters incidental thereto;
- 4.1.4 Part IV, provides for the amalgamation of TNSL with Nelco, discharge of consideration, accounting treatment, merger of authorised share capital and matters incidental thereto;
- 4.1.5 Part V, deals with the general terms and conditions applicable to all parts of this Scheme.

PART I- DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

5. DEFINITIONS

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

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

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

“Applicable Law” means any statute, notification, bye-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force;



"Appointed Date" means 1st April, 2017 or such other date as may be directed by NCLT;

"Appropriate Authority" means any government body (central, state or local Government), legislative body, statutory body, departmental or public body or regulatory or administrative authority, judicial or arbitral body or other organization operating under the force of law including NCLT, the stock exchanges, the Securities and Exchange Board of India ("SEBI"), DOT, income tax authorities, Reserve Bank of India and other applicable authorities pursuant to the provisions of Section 230(5) of the Act, as may be relevant in the context;

"Arrangement and Amalgamation" means the restructuring contemplated by the Scheme including (i) the Slump Sales in terms of Part II and Part III of the Scheme and (ii) Amalgamation (post the Slump Sale) in terms of Part IV of the Scheme;

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

"Contracts" means deeds, bonds, contracts, agreements (including in connection with contracts for services) and other instruments;

"Effective Date" means the date on which the last of all the conditions and matters referred to in clause 36 have been fulfilled, obtained or waived. References in this Scheme to 'upon this Scheme becoming effective' or 'upon this Scheme coming into effect' shall mean the Effective Date;

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

"Governmental Approval" means any consent, approval, licence, permit, order, exemption, certificate, clearance or authorisation obtained or to be obtained from, or any registration, notification, declaration or filing made to or with, or to be made to or with, any Appropriate Authority;

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



"Intellectual Property Rights" means all domestic and foreign intellectual property rights, including with respect to all patents, patent applications, and trademarks, service marks, trade names, trade dress, logos, corporate names, brand names, domain names, all copyrights, designs and mask works, and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information;

"NCLT" means the National Company Law Tribunal, Mumbai Bench having jurisdiction over Nelco, TNSL and NNPL;

"Nelco" or "Amalgamated Company" or "Transferor Company" means Nelco Limited, a listed public company limited by shares, incorporated on 31st August, 1940 under the provisions of the Companies Act, 1913 and having its registered office at EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai - 400710;

"NNPL" or "Transferee Company" means Nelco Network Products Limited, an unlisted public company limited by shares, incorporated on 8th September, 2016 under the provisions of the Companies Act, 2013, and having its registered office at EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai - 400710;

"Registrar of Companies" or "ROC" means the Registrar of Companies, at Mumbai;

"Residual Business of the Transferor Company" means all the assets, liabilities, business and operations of the Transferor Company other than the Transferred Undertaking 1 and Transferred Undertaking 2 and shall include without limitation (i) the business of Transferor Company of marketing and selling services to TNSL, maintaining and running various hubs and networks for TNSL for its customers and providing data centre services to all equipments of TNSL; (ii) leasehold land and building thereon situated at plot EL-6 situated at TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai - 400710; (iii) investment in shares and securities of any company and body corporate including subsidiary companies; and (iv) internet service provider license no. 820-789/04-LR dated 14th July, 2004 issued by DOT;

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

"SEBI Circular" means the circular no. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 as modified by Circular no. CFD/DIL3/CIR/2017/26 dated 23rd March, 2017 issued by SEBI and all other applicable circulars and regulations issued by SEBI in this respect;



"SEBI LODR" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

"Slump Sale" means the transfer and vesting of the Transferred Undertaking 1 and Transferred Undertaking 2 of the Transferor Company into the Transferee Company as a going concern on an as is where is basis for a lump sum consideration, without values being assigned to the individual assets and liabilities in terms of Section 2(42C) of the Income Tax Act and to be implemented in terms of Part II and Part III of the Scheme;

"Tax" or "Taxes" means any and all taxes (direct or indirect), surcharges, fees, levies, duties, tariffs, imposts and other charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto), in each case in the nature of a tax, imposed by any Appropriate Authority (whether payable directly or by withholding), including taxes based upon or measured by income, windfall or other profits, gross receipts, property, sales tax, severance, branch profits, customs duties, excise duty, CENVAT credit, withholding tax, self-assessment tax, advance tax, service tax, goods and services tax, stamp duty, transfer tax, value-added tax, minimum alternate tax, banking cash transaction tax, securities transaction tax, input tax credit, entry tax, advance income tax, tax deducted at source, wealth tax, fringe benefit tax, tax collected at source, cess, tax refunds, taxes withheld or paid in a foreign country, customs duty and registration fees;

"TNSL" or "Amalgamating Company" means Tatanet Services Limited, an unlisted public company limited by shares, incorporated on 12th August, 1987 under the provisions of the Companies Act, 1956 and having its registered office at EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai - 400710;

"Transferred Business 1" means the business of providing solutions in the areas of Automation Control of ISSS through the supply, installation and fixed annual maintenance of security systems to railways, oil companies, large Government undertakings and other customers;

"Transferred Business 2" means the business of providing VSAT hardware and allied services consisting of network management, project management, infrastructure services, turnkey solutions for satellite communication systems, and co-location services to all customers other than to TNSL;

"Transferred Undertaking 1" means the Transferred Business 1 of the Transferor Company and all assets, properties, investments and liabilities, on a going concern basis including (without limitation) the following;



- (i) all movable assets and properties wherever located, whether real, tangible or intangible (whether or not recorded in books), present or future, actual or contingent, exclusively used or held, by the Transferor Company pertaining to the Transferred Business 1, all immovable properties of the Transferor Company used for the Transferred Business 1, structures and buildings constructed thereon, tenancies, parking rights, title, rights, interests, benefits and documents of title, rights or interest and easements in relation thereto and all plant and machineries, equipment, fixed assets, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, advances and deposits with any Appropriate Authority or others, outstanding loans and advances recoverable in cash or in kind (including accrued interest), receivables, all types of stocks including work-in-process, cash, balances with banks, cheques, bills of exchange and other negotiable instruments, benefits of any bank guarantees, performance guarantees, corporate guarantees, letters of credit, financial assets and instruments, and other funds along with accrued interest thereon and benefits attached thereto, pertaining to the Transferred Business 1 excluding the CENVAT credit and value added Tax set off available;
- (ii) all debts (secured and unsecured), liabilities, provisions, loans, guarantees, forward contract liability, assurances, commitments, duties and obligations of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), exclusively pertaining to the Transferred Business 1 excluding the liabilities pertaining to service Tax, value added Tax and customs duty;
- (iii) all Contracts including material contracts, agreements, bids, tenders, licenses, linkages, memoranda of understanding, memoranda of agreements, memoranda of agreed points, letters of agreed points, agreed term sheets, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders, job orders, right of way, tenancy rights or other instruments of whatsoever nature to which the Transferor Company is a party, exclusively relating to the Transferred Business 1 or otherwise identified to be for the benefit of the same;
- (iv) all Intellectual Property Rights including registered Intellectual Property Rights, registered trademarks, trade names, copyrights, patents, designs, all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names and applications relating thereto, goodwill, technical knowhow and trade secrets exclusively used by or held for use by the Transferor Company pertaining to the Transferred Business 1, whether or not registered, owned or licensed, including any form of intellectual property which is work in progress;



- (v) all permits, licenses (excluding licenses issued by the Wireless Planning and Coordination Wing, Ministry of Communications), consents, approvals, authorizations, quotas, rights, entitlements, claims, registrations, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, permissions, if any, privileges and similar rights, and any waivers of the foregoing, issued by any Appropriate Authority or any department, commission, board, agency, bureau, official or other statutory, regulatory, local, administrative or judicial authority including telephone, broadband, wireless and other communication systems and equipment related approvals and connections including for data/image/graphics storage, reproduction, transmission and transfers, and all other rights, permits, consents, no-objections and approvals, pending applications for consents, renewals or extension exclusively relates to or used or held for use by the Transferor Company pertaining to the Transferred Business 1;
- (vi) all benefits, entitlements, incentives and concessions under incentive schemes and policies, subsidy receivables from Government, grants from any Appropriate Authority, to the extent statutorily available to the Transferor Company pertaining to the Transferred Business 1, along with associated obligations;
- (vii) all staff, employees and workmen of the Transferor Company, whether permanent or temporary, including employees/personnel engaged on contract basis and contract labourers, apprentices, interns/trainees, as are primarily engaged in or in relation to the Transferred Business 1, at its respective offices, branches and other locations, and contributions, if any, made towards any provident fund, employees state insurance, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes, funds or benefits of such staff, employees, workmen and contract labourers of the Transferor Company, together with such of the investments made by these funds, which are referable to such staff, employees, workmen and contract labourers of the Transferor Company pertaining to the Transferred Business 1;
- (viii) all legal (whether civil or criminal) proceedings or investigations of whatsoever nature (including those before any Appropriate Authority) initiated by or against the Transferor Company or proceedings or investigations to which the Transferor Company is party to, that pertain to the Transferred Business 1, whether pending/ongoing or which be instituted any time in the future excluding legal proceedings or investigations relating to service Tax, value added Tax and customs duty;



- (ix) all books, records, files, papers, engineering and process information, databases, catalogues, quotations, advertising materials, lists of present and former clients, whether in physical or electronic form, pertaining to the Transferred Business 1; and
- (x) any other assets and liabilities.

"Transferred Undertaking 2" means the Transferred Business 2 of the Transferor Company and all assets, properties, investments and liabilities, on a going concern basis including (without limitation) the following;

- (i) all movable assets and properties wherever located, whether real, tangible or intangible (whether or not recorded in books), present or future, actual or contingent, exclusively used or held, by the Transferor Company pertaining to the Transferred Business 2, all immovable properties of the Transferor Company used for the Transferred Business 2, structures and buildings constructed thereon, tenancies, parking rights, title, rights, interests, benefits and documents of title, rights or interest and easements in relation thereto and all plant and machineries, equipment, fixed assets, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, advances and deposits with any Appropriate Authority or others, outstanding loans and advances recoverable in cash or in kind (including accrued interest), receivables, all types of stocks including work-in-process, cash, balances with banks, cheques, bills of exchange and other negotiable instruments, benefits of any bank guarantees, performance guarantees, corporate guarantees, letters of credit, financial assets and instruments, and other funds along with accrued interest thereon and benefits attached thereto, pertaining to the Transferred Business 2 excluding the CENVAT credit and value added Tax set off available;
- (ii) all debts (secured and unsecured), liabilities, provisions, loans, guarantees, forward contract liability, assurances, commitments, duties and obligations of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), exclusively pertaining to the Transferred Business 2 excluding the liabilities pertaining to service Tax, value added Tax and customs duty;
- (iii) all Contracts including material contracts, agreements, bids, tenders, licenses, linkages, memoranda of understanding, memoranda of agreements, memoranda of agreed points, letters of agreed points, agreed term sheets, arrangements, undertakings, whether written or otherwise, deeds, bonds,



schemes, arrangements, sales orders, purchase orders, job orders, right of way, tenancy rights or other instruments of whatsoever nature to which the Transferor Company is a party, exclusively relating to the Transferred Business 2 or otherwise identified to be for the benefit of the same;

- (iv) all Intellectual Property Rights including registered Intellectual Property Rights, registered trademarks, trade names, copyrights, patents, designs, all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names and applications relating thereto, goodwill, technical knowhow and trade secrets exclusively used by or held for use by the Transferor Company pertaining to the Transferred Business 2, whether or not registered, owned or licensed, including any form of intellectual property which is work in progress;
- (v) all permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, claims, registrations, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, permissions, if any, privileges and similar rights, and any waivers of the foregoing, issued by any Appropriate Authority or any department, commission, board, agency, bureau, official or other statutory, regulatory, local, administrative or judicial authority including telephone, broadband, wireless and other communication systems and equipment related approvals and connections including for data/image/graphics storage, reproduction, transmission and transfers, and all other rights, permits, consents, no-objections and approvals, pending applications for consents, renewals or extension exclusively relates to or used or held for use by the Transferor Company pertaining to the Transferred Business 2;
- (vi) all benefits, entitlements, incentives and concessions under incentive schemes and policies, subsidy receivables from Government, grants from any Appropriate Authority, to the extent statutorily available to the Transferor Company pertaining to the Transferred Business 2, along with associated obligations;
- (vii) all staff, employees and workmen of the Transferor Company, whether permanent or temporary, including employees/personnel engaged on contract basis and contract labourers, apprentices, interns/trainees, as are primarily engaged in or in relation to the Transferred Business 2, at its respective offices, branches and other locations, and contributions, if any, made towards any provident fund, employees state insurance, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes, funds or benefits of such staff, employees, workmen and contract labourers of the Transferor Company, together with such of the investments made by these funds, which are referable to such staff, employees, workmen and contract labourers of the Transferor Company pertaining to the Transferred Business 2;



- (viii) all legal (whether civil or criminal) proceedings or investigations of whatsoever nature (including those before any Appropriate Authority) initiated by or against the Transferor Company or proceedings or investigations to which the Transferor Company is party to, that pertain to the Transferred Business 2, whether pending/ongoing or which be instituted any time in the future excluding legal proceedings or investigations relating to service Tax, value added Tax and customs duty;
- (ix) all books, records, files, papers, engineering and process information, databases, catalogues, quotations, advertising materials, lists of present and former clients, whether in physical or electronic form, pertaining to the Transferred Business 2; and
- (x) any other assets and liabilities.

All terms and words used in this Scheme and not specifically defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act.

6. INTERPRETATION

In this Scheme, unless the context otherwise requires:

- 6.1 words denoting singular shall include plural and vice versa;
- 6.2 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- 6.3 references to the word "include" or "including" shall be construed without limitation;
- 6.4 a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- 6.5 unless otherwise defined, the reference to the word "days" shall mean calendar days;
- 6.6 references to dates and times shall be construed to be references to Indian dates and times;
- 6.7 reference to a document includes an amendment or supplement to, or replacement or novation of, that document;



- 6.8 references to a person include any individual, firm, body corporate (whether incorporated or not), Government, state or agency of a state or any joint venture, association, partnership, works councillor, employee representatives body (whether or not having separate legal personality) ;
- 6.9 references to any person includes that person's successors;
- 6.10 word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them;
- 6.11 any reference to any statute or statutory provision shall include:
- (i) all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time); and
 - (ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced. Provided that nothing in this Clause 6 shall operate to increase the liability of any party to this Scheme beyond that which would have existed had this Clause 6 been omitted.
- 6.12 The Scheme set out herein in its present form, or with modification(s), if any, made in accordance with the provisions of the Scheme and the directions of NCLT, shall be deemed to be effective from the Appointed Date but shall be operative only from the Effective Date.

7. SHARE CAPITAL

7.1 Nelco (Transferor Company / Amalgamated Company)

The share capital of Nelco as on 31st March, 2017 is as under:

Authorised Share Capital	Amount (Rs.)
2,50,00,000 Equity Shares of Rs. 10 each	25,00,00,000
25,00,000 Redeemable Preference Shares of Rs. 100 each	25,00,00,000
Total	50,00,00,000
Issued Share Capital	
2,28,18,400 Equity Shares of Rs. 10 each	22,81,84,000
Subscribed and Fully Paid Up Share Capital	
2,28,18,400 Equity Shares of Rs. 10 each	22,81,84,000

Thereafter there has been no change in authorised, issued, subscribed and paid up share capital of Nelco.



7.2 TNSL (Amalgamating Company)

The share capital of TNSL as on 31st March, 2017 is as under

Authorised Share Capital	Amount (Rs.)
50,00,000 Equity Shares of Rs. 10 each	5,00,00,000
Issued Share Capital	
49,00,000 Equity Shares of Rs 10 each	4,90,00,000
Subscribed and Fully Paid Up Share Capital	
49,00,000 Equity Shares of Rs 10 each	4,90,00,000

Thereafter there has been no change in authorised, issued, subscribed and paid up share capital of TNSL.

7.3 NNPL (Transferee Company)

The share capital of NNPL as on 31st March, 2017 is as under:

Authorised Share Capital	Amount (Rs.)
50,000 Equity Shares of Rs. 10 each	5,00,000
Issued Share Capital	
50,000 Equity Shares of Rs. 10 each	5,00,000
Subscribed and Fully Paid Up Share Capital	
50,000 Equity Shares of Rs. 10 each	5,00,000

Thereafter there has been no change in authorised, issued, subscribed and paid up share capital of NNPL. NNPL will be appropriately and adequately funded to meet its business requirements including discharge of consideration for the acquisition of Transferred Undertaking 1 and Transferred Undertaking 2.

PART II - TRANSFER OF TRANSFERRED UNDERTAKING 1 OF THE TRANSFEROR COMPANY TO THE TRANSFEE COMPANY BY WAY OF SLUMP SALE

8. Transfer and vesting of Transferred Undertaking 1 of the Transferor Company to the Transferee Company by way of Slump Sale

- 8.1 Upon this Scheme becoming effective, subject to clause 18 and other provisions of this Scheme, pursuant to the orders of NCLT sanctioning the Scheme and pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of the Act, with effect from the Appointed



Date the Transferred Undertaking 1 of the Transferor Company shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Transferee Company, as a going concern, by way of Slump Sale, so as to become, as and from the Appointed Date, the undertaking of the Transferee Company, without any further act, instrument or deed, as per the provisions and in the manner provided herein, together with all its properties, assets, liabilities, rights, benefits and interest therein.

8.2 Without prejudice to the generality of the foregoing and to the extent applicable, unless otherwise stated herein, upon the Scheme becoming effective, with effect from the Appointed Date, the entire Transferred Undertaking 1 together with all its business and operations including all its assets and liabilities, shall be transferred by the Transferor Company to the Transferee Company on a going concern and "as-is-where-is" basis, for a lump sum consideration as mentioned in Clause 10 herein below, without assigning values to individual assets and liabilities, and in the following manner:

8.2.1 All assets (whether or not recorded in the books of accounts) pertaining to the Transferred Undertaking 1 that are movable in nature or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery, on the Scheme becoming effective, shall stand vested in the Transferee Company and shall be deemed to have been physically handed over by physical delivery or by endorsement and delivery as the case may be, without the need to execute any separate instrument to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date.

8.2.2 All assets pertaining to the Transferred Undertaking 1 that are movable in nature, other than those in sub-clause 8.2.1 above, investments in shares and other securities, sundry debtors, actionable claims, receivables, 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 Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, stand transferred to and vested in the Transferee Company on and from the Appointed Date and become the property of the Transferee Company, without any notice or other intimation to the debtors or obligors or any other person. The Transferee Company may (without being obliged to do so), if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor or any other person, that



pursuant to the sanction of the Scheme by NCLT, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise all such debts (including the debts payable by such debtor or obligor or any other person to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors or other persons to record such change.

- 8.2.3 All lease and licence agreements entered into by the Transferor Company with various landlords, owners and lessors in connection with the use of the assets of the Transferred Undertaking 1 of the Transferor Company, together with security deposits, 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. The Transferee Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company.
- 8.2.4 All immovable properties pertaining to the Transferred Undertaking 1 including land, building, offices, sites and accretions and appurtenances and rights, title and interest in connection with the said immovable properties whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall upon this Scheme becoming effective, stand transferred to and vested in the Transferee Company, without any further act or deed done/executed or being required to be done/executed by the Transferor Company or the Transferee Company or both. The Transferee Company shall be entitled to exercise and enjoy all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the Appropriate Authorities pursuant to the sanction of this Scheme by NCLT and upon the Scheme becoming effective in accordance with the terms hereof.
- 8.2.5 All Contracts to which the Transferor Company is a party, or to the benefit of which the Transferor Company may be entitled, and which are subsisting or having effect immediately before the Scheme coming



into effect, shall, without any further act, instrument or deed, continue in full force and effect against or in favour of, as the case may be, the Transferee Company, and may be enforced effectively by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor or obligee thereto or thereunder. Such Contracts shall continue to be in full force and continue as effective as hitherto for 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 and shall be deemed to be its successor in interest. Upon the Scheme becoming effective, the rights, duties, obligations, interests flowing from such Contracts, shall be deemed to have been entered in and novated to the Transferee Company and the Transferee Company shall be deemed to be the Transferor Company's substituted party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Company.

8.2.6 All guarantees provided by any bank in relation to the Transferred Undertaking 1 in favour of the Transferor Company outstanding as on the Effective Date, shall stand substituted in favour of and vest in the Transferee Company and shall enure to the benefit of the Transferee Company and, all guarantees issued by the bankers of the Transferor Company in relation to the Transferred Undertaking 1 at the request of the Transferor Company favouring any third party shall be deemed to have been issued at the request of the Transferee Company and continue to remain in full force in favour of such third party till its maturity or earlier termination.

8.2.7 All Intellectual Property Rights exclusively pertaining to the Transferred Undertaking 1, if any, shall stand vested in the Transferee Company without any further act, instrument or deed, upon the Scheme becoming effective.

8.2.8 All Government Approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates of every kind and description whatsoever in relation to the Transferred Undertaking 1, or to the benefit of which the Transferred Undertaking 1 may be eligible/entitled, and which are subsisting or having effect immediately before the Scheme coming into effect, shall by



endorsement, delivery or recordal pursuant to the vesting orders of NCLT sanctioning the Scheme, and on the Scheme becoming effective, be deemed to be Government Approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Appropriate Authority for the purpose of carrying on its business or in connection therewith) and certificates of every kind and description of whatsoever nature, of the Transferee Company, and shall be in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto.

- 8.2.9 All books, records, files, papers, engineering and process information, catalogues, quotations, advertising materials, if any, lists of present and former clients, whether in physical or electronic form, pertaining to the Transferred Undertaking 1 of the Transferor Company, to the extent possible and permitted under Applicable Law, be handed over by the Transferor Company to the Transferee Company.
- 8.3 Without prejudice to the generality of Clause 8.1 above, upon the Scheme coming into effect, with effect from the Appointed Date:
- 8.3.1 All the liabilities including secured and unsecured debts (whether in Indian Rupees or foreign currency), sundry creditors, contingent liabilities, provisions, duties and obligations (whether or not provided in the books of the Transferor Company) pertaining to the Transferred Undertaking 1, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilised for its business activities and operations shall, under the provisions of Sections 230 to 232 of the Act and other applicable provisions of the Act, and all other provisions of Applicable Law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Transferred Undertaking 1, as a going concern and the same shall be assumed by the Transferee Company, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date, the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company alone shall meet, discharge and satisfy the same.



- 8.3.2 All the liabilities pertaining to the Transferred Undertaking 1, and which are incurred or which arise or accrue to the Transferred Undertaking 1 of the Transferor Company, on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 230 to 232 of the Act and other applicable provisions of the Act and all other provisions of Applicable Law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company as part of the transfer of the Transferred Undertaking 1 as going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company alone shall meet, discharge and satisfy the same.
- 8.3.3 Any liabilities of the Transferred Undertaking 1 as on the Appointed Date that are discharged by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Transferee Company.
- 8.3.4 All loans raised and utilized, liabilities, duties and Taxes and obligations incurred or undertaken on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and shall, under the provisions of Sections 230 to 232 of Act, as applicable, and all other provisions of Applicable Law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company as a part of the Transferred Undertaking 1 as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date, the Transferee Company shall meet, discharge and satisfy the same.
- 8.3.5 All the existing Encumbrances, if any, existing prior to the Effective Date on the assets of the Transferred Undertaking 1 relating to the liabilities of the Transferred Undertaking 1, shall without any further act or deed continue to relate and attach to only such assets or any part thereof to which they are related or attached prior to the Effective Date. Further, the Encumbrances, if any, on the assets of the Residual Business of the Transferor Company in relation to the liabilities of the Transferred Undertaking 1, shall without any further act, instrument



or deed be released and discharged on such assets of the Residual Business of the Transferor Company. Further so far as assets of the Transferred Undertaking 1 is concerned, the Encumbrances over such assets relating to any loans, borrowings, liabilities or debts which are not transferred pursuant to this Scheme (and which shall continue with the Transferor Company), shall without any further act or deed be released from such Encumbrances and shall no longer be available as security in relation to such loans, borrowings, liabilities or debts.

8.3.6 Any reference, in any security documents or arrangements, to the Transferor Company and assets and properties pertaining to the Transferred Undertaking 1, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferred Undertaking 1 transferred to the Transferee Company pursuant to this Scheme.

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

8.3.8 The provisions of this clause 8.3 shall operate notwithstanding anything to the contrary contained in any instrument, deed, document or writing or the terms of sanction or issue or any security document; all of which instruments, deeds, documents or writings shall stand modified and/or superseded by the foregoing provisions.

8.4 Employees

8.4.1 All the employees, staff and workmen, pertaining to the Transferred Undertaking 1, shall become employees, staff and workmen of and be engaged by the Transferee Company, upon the Scheme coming into effect, on terms and conditions which, as a result, shall be no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of transfer and vesting of the Transferred Undertaking 1 and without any further act, deed or instrument on the part of the Transferor Company or the Transferee Company.

8.4.2 All contributions made by the Transferor Company on behalf of its employees, staff and workmen and all contributions made by the employees, staff and workmen including the interests arising thereon,



to the funds and standing to the credit of the employees, staff , workmen and contract labour account with such funds, shall, upon this Scheme becoming effective, be transferred to the Transferee Company along with such of the investments made by such funds which are referable and allocable to the employees, staff, workmen and contract labour of the Transferred Undertaking 1 of the Transferor Company and the Transferee Company shall stand substituted for the Transferor Company with regard to the obligation to make the said contributions.

8.4.3 With regards to provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of employees, staff and workmen pertaining to the Transferred Undertaking 1, upon the Scheme becoming effective, shall be continued on no less favourable terms and conditions by the Transferee Company and, the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of Applicable Law or otherwise. It is the intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company without need of any fresh approval from any Appropriate Authority. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees, staff and workmen and the services of all such employees, staff and workmen of the Transferor Company for such purpose shall be treated as having been continuous.

8.4.4 The Transferee Company agrees that the services of all employees, staff and workmen of the Transferor Company, pertaining to the Transferred Undertaking 1 prior to the transfer, shall be taken into account for the purposes of all benefits to which such employees, staff and workmen may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, superannuation, provident fund and other retirement benefits and accordingly, such benefits shall be reckoned from the date of their respective appointment in the Transferor Company. The Transferee Company undertakes to pay the same, as and when payable under Applicable Law.



- 8.4.5 The contributions made by the Transferor Company under Applicable Law in connection with the employees, staff and workmen of the Transferred Undertaking 1 of the Transferor Company, to the funds, for the period after the Appointed Date shall be deemed to be contributions made by the Transferee Company.
- 8.4.6 The Transferor Company will transfer/handover to the Transferee Company, copies of employment information of all such transferred employees, staff and workmen of the Transferred Undertaking 1, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's, staff's and workman's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files and all forms, notifications, order and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause to the extent permitted by Applicable Law.
- 8.4.7 The Transferee Company shall continue to abide by any agreement(s)/settlement(s) entered into by the Transferor Company with employees of the Transferred Undertaking 1 to the extent applicable in relation to the Transferred Undertaking 1, which are subsisting or having effect immediately prior to the Appointed Date and continuing from the Appointed Date till the Effective Date.
- 8.4.8 Any disciplinary action initiated by the Transferor Company against any employee, staff and workmen of the Transferred Undertaking 1 shall have full force, effect and continuity as if it was initiated by the Transferee Company instead of the Transferor Company.

8.5 Legal Proceedings

- 8.5.1 All proceedings of whatsoever nature (legal, quasi judicial and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) whether by or against the Transferor Company and pertaining to the Transferred Undertaking 1, shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer and vesting of the Transferred Undertaking 1 or anything contained in this Scheme.



- 8.5.2 Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal proceedings, (including before any statutory or quasi-judicial authority or arbitrator or tribunal) whether by or against the Transferor Company pertaining to the Transferred Undertaking 1, whether pending and/or arising on or before the Effective Date shall be continued and/or enforced by or against the Transferee Company and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Transferee Company.
- 8.5.3 The Transferee Company undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated pertaining to the Transferred Undertaking 1, transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.
- 8.5.4 Notwithstanding the above, in case the proceedings referred to in Clause 8.5.1 to 8.5.3 above cannot be transferred for any reason, or the transfer takes time, till such transfer the Transferor Company shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the Transferee Company shall reimburse, indemnify and hold harmless the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.
- 8.6 The experience, track record and credentials of the Transferred Undertaking 1 in relation to the supply of products, equipment and services to various authorities, agencies and clients prior to its transfer to Transferee Company shall be taken into account and treated and recognised as the experience, track record and credentials of the Transferred Undertaking 1 even after its transfer to the Transferee Company, including for the purpose of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of such authorities, agencies and clients.
- 8.7 The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after the Effective Date, in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds and/or documents of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the Appropriate Authorities, in order to give formal effect to the above provisions. The Transferee Company shall, for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such



deeds, documents and writings for and on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above or otherwise required to be carried out or performed on the part of the Transferor Company.

- 8.8 The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after the Effective Date in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary for transfer/vesting of the Government Approvals, sanctions, consents, exemptions, rebates, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company in relation to the Transferred Undertaking 1 including its business and operations, into the Transferee Company. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by NCLT, and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company (including its successors and assigns) shall, if and as required, file, appropriate applications/documents etc. with Appropriate Authorities concerned for information and record purposes. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such applications/documents etc. for and on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

9. Conduct of business

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

- 9.1 the Transferor Company shall carry on and shall be deemed to have carried on all its business activities pertaining to the Transferred Undertaking 1 and shall hold and stand possessed and shall be deemed to have held and stood possessed of all the said assets, rights, title, interests, authorities, contracts, investments and decisions, benefits for and on account of and in trust for the Transferee Company;
- 9.2 all obligations, liabilities, duties and commitments attached, related or pertaining to the Transferred Undertaking 1 of the Transferor Company shall be undertaken and shall be deemed to have been undertaken for and on account of and in trust for the Transferee Company; and



- 9.3 all profits or income arising or accruing in favour of the Transferor Company in relation to the Transferred Undertaking 1 and all Taxes paid thereon or losses arising or incurred by the Transferor Company in relation to the Transferred Undertaking 1 shall, for all intent and purposes, be treated as and be deemed to be the profits or income, Taxes or losses, as the case may be, of the Transferee Company. It is hereby clarified that any Tax payable by or refundable relating to the Transferred Undertaking 1, including all or any Tax refunds or tax liabilities or Tax claims arising from pending Tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the Tax liability or Tax refunds/Tax claims (whether or not recorded in the books relating to the Transferred Undertaking 1) of the Transferee Company.

10. Consideration for Slump Sale

- 10.1 Upon the Scheme coming into effect and upon transfer and vesting of the Transferred Undertaking 1 of the Transferor Company into the Transferee Company pursuant to the Slump Sale as stated herein, the lump sum consideration of Rs. 10,08,00,000/- (Rupees Ten Crores and Eight Lakhs only) shall be payable in cash by the Transferee Company to the Transferor Company. The consideration of Rs. 10,08,00,000/- (Rupees Ten Crores and Eight Lakhs only) shall be discharged within 6 months from the Effective Date or such other date and terms as determined by the Board of Directors.

11. Accounting Treatment in the books of the Transferor Company and Transferee Company

Notwithstanding anything to the contrary, upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall give effect to the accounting treatment in their respective books of account in accordance with "Indian Accounting Standard (Ind-AS)- 103 - Business Combination" and other applicable Ind-AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles as applicable on the Effective Date.

12. Validity of existing resolutions, etc.

- 12.1 Upon the coming into effect of the Scheme, the resolutions passed by the Board of Directors and/or the shareholders of the Transferor Company pertaining to the Transferred Undertaking 1, as are considered necessary by the Board of Directors of the Transferee Company and which are valid and subsisting shall continue to be valid and subsisting and be considered as the resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other



applicable statutory provisions, then the said limits as are considered necessary by the Board of Directors of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Board of Directors and/or the shareholders of the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

- 12.2 Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Transferred Undertaking 1 or whether it arises or does not arise out of the activities, business or operations of the Transferred Undertaking 1 shall be decided by mutual agreement between the respective Boards of Directors of the Transferor Company and the Transferee Company.

PART III - TRANSFER OF TRANSFERRED UNDERTAKING 2 OF THE TRANSFEROR COMPANY TO THE TRANSFEE COMPANY BY WAY OF SLUMP SALE

13. Transfer and vesting of Transferred Undertaking 2 of the Transferor Company to the Transferee Company by way of Slump Sale

- 13.1 Upon this Scheme becoming effective, subject to clause 18 and other provisions of this Scheme, pursuant to the orders of NCLT sanctioning the Scheme and pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of the Act, with effect from the Appointed Date the Transferred Undertaking 2 of the Transferor Company shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Transferee Company, as a going concern, by way of Slump Sale, so as to become, as and from the Appointed Date, the undertaking of the Transferee Company, without any further act, instrument or deed, as per the provisions and in the manner provided herein, together with all its properties, assets, liabilities, rights, benefits and interest therein.

- 13.2 Without prejudice to the generality of the foregoing and to the extent applicable, unless otherwise stated herein, upon the Scheme becoming effective, with effect from the Appointed Date, the entire Transferred Undertaking 2 together with all its business and operations including all its assets and liabilities, shall be transferred by the Transferor Company to the Transferee Company on a going concern and "as-is-where-is" basis, for a lump sum consideration as mentioned in Clause 15 herein below, without assigning values to individual assets and liabilities, and in the following manner:

- 13.2.1 All assets (whether or not recorded in the books of accounts) pertaining to the Transferred Undertaking 2 that are movable in nature or are otherwise capable of transfer by physical or constructive



delivery and/or by endorsement and delivery, on the Scheme becoming effective, shall stand vested in the Transferee Company and shall be deemed to have been physically handed over by physical delivery or by endorsement and delivery as the case may be, without the need to execute any separate instrument to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date.

13.2.2 All assets pertaining to the Transferred Undertaking 2 that are movable in nature, other than those in sub-clause 13.2.1 above, investments in shares and other securities, sundry debtors, actionable claims, receivables, 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 Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, stand transferred to and vested in the Transferee Company on and from the Appointed Date and become the property of the Transferee Company, without any notice or other intimation to the debtors or obligors or any other person. The Transferee Company may (without being obliged to do so), if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor or any other person, that pursuant to the sanction of the Scheme by NCLT, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise all such debts (including the debts payable by such debtor or obligor or any other person to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors or other persons to record such change.

13.2.3 All lease and licence agreements entered into by the Transferor Company with various landlords, owners and lessors in connection with the use of the assets of the Transferred Undertaking 2 of the Transferor Company, together with security deposits, 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. The Transferee Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and



covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company.

13.2.4 All immovable properties pertaining to the Transferred Undertaking 2 including land, building, offices, sites and accretions and appurtenances and rights, title and interest in connection with the said immovable properties whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall upon this Scheme becoming effective, stand transferred to and vested in the Transferee Company, without any further act or deed done/executed or being required to be done/executed by the Transferor Company or the Transferee Company or both. The Transferee Company shall be entitled to exercise and enjoy all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the Appropriate Authorities pursuant to the sanction of this Scheme by NCLT and upon the Scheme becoming effective in accordance with the terms hereof.

13.2.5 All Contracts to which the Transferor Company is a party, or to the benefit of which the Transferor Company may be entitled, and which are subsisting or having effect immediately before the Scheme coming into effect, shall, without any further act, instrument or deed, continue in full force and effect against or in favour of, as the case may be, the Transferee Company, and may be enforced effectively by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor or obligee thereto or thereunder. Such Contracts shall continue to be in full force and continue as effective as hitherto for 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 and shall be deemed to be its successor in interest. Upon the Scheme becoming effective, the rights, duties, obligations, interests flowing from such Contracts, shall be deemed to have been entered in and novated to the Transferee Company and the Transferee Company shall be deemed to be the Transferor Company's substituted party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Company.



- 13.2.6 All guarantees provided by any bank in relation to the Transferred Undertaking 2 in favour of the Transferor Company outstanding as on the Effective Date, shall stand substituted in favour of and vest in the Transferee Company and shall enure to the benefit of the Transferee Company and, all guarantees issued by the bankers of the Transferor Company in relation to the Transferred Undertaking 2 at the request of the Transferor Company favouring any third party shall be deemed to have been issued at the request of the Transferee Company and continue to remain in full force in favour of such third party till its maturity or earlier termination.
- 13.2.7 All Intellectual Property Rights exclusively pertaining to the Transferred Undertaking 2, if any, shall stand vested in the Transferee Company without any further act, instrument or deed, upon the Scheme becoming effective.
- 13.2.8 All Government Approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates of every kind and description whatsoever in relation to the Transferred Undertaking 2, or to the benefit of which the Transferred Undertaking 2 may be eligible/entitled, and which are subsisting or having effect immediately before the Scheme coming into effect, shall by endorsement, delivery or recordal pursuant to the vesting orders of NCLT sanctioning the Scheme, and on the Scheme becoming effective, be deemed to be Government Approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Appropriate Authority for the purpose of carrying on its business or in connection therewith) and certificates of every kind and description of whatsoever nature, of the Transferee Company, and shall be in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto.
- 13.2.9 All books, records, files, papers, engineering and process information, catalogues, quotations, advertising materials, if any, lists of present and former clients, whether in physical or electronic form, pertaining to the Transferred Undertaking 2 of the Transferor Company, to the extent possible and permitted under Applicable Law, be handed over by the Transferor Company to the Transferee Company.



13.3 Without prejudice to the generality of Clause 13.1 above, upon the Scheme coming into effect, with effect from the Appointed Date:

13.3.1 All the liabilities including secured and unsecured debts (whether in Indian Rupees or foreign currency), sundry creditors, contingent liabilities, provisions, duties and obligations (whether or not provided in the books of the Transferor Company) pertaining to the Transferred Undertaking 2, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilised for its business activities and operations shall, under the provisions of Sections 230 to 232 of the Act and other applicable provisions of the Act, and all other provisions of Applicable Law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Transferred Undertaking 2, as a going concern and the same shall be assumed by the Transferee Company, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date, the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company alone shall meet, discharge and satisfy the same.

13.3.2 All the liabilities pertaining to the Transferred Undertaking 2, and which are incurred or which arise or accrue to the Transferred Undertaking 2 of the Transferor Company, on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 230 to 232 of the Act and other applicable provisions of the Act and all other provisions of Applicable Law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company as part of the transfer of the Transferred Undertaking 2 as going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company alone shall meet, discharge and satisfy the same.

13.3.3 Any liabilities of the Transferred Undertaking 2 as on the Appointed Date that are discharged by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Transferee Company.



- 13.3.4 All loans raised and utilized, liabilities, duties and Taxes and obligations incurred or undertaking on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and shall, under the provisions of Sections 230 to 232 of Act, as applicable, and all other provisions of Applicable Law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company as a part of the Transferred Undertaking 2 as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date, the Transferee Company shall meet, discharge and satisfy the same.
- 13.3.5 All the existing Encumbrances, if any, existing prior to the Effective Date on the assets of the Transferred Undertaking 2 relating to the liabilities of the Transferred Undertaking 2, shall without any further act or deed continue to relate and attach to only such assets or any part thereof to which they are related or attached prior to the Effective Date. Further, the Encumbrances, if any, on the assets of the Residual Business of the Transferor Company in relation to the liabilities of the Transferred Undertaking 2, shall without any further act, instrument or deed be released and discharged on such assets of the Residual Business of the Transferor Company. Further so far as assets of the Transferred Undertaking 2 is concerned, the Encumbrances over such assets relating to any loans, borrowings, liabilities or debts which are not transferred pursuant to this Scheme (and which shall continue with the Transferor Company), shall without any further act or deed be released from such Encumbrances and shall no longer be available as security in relation to such loans, borrowings, liabilities or debts.
- 13.3.6 Any reference, in any security documents or arrangements, to the Transferor Company and assets and properties pertaining to the Transferred Undertaking 2, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferred Undertaking 2 transferred to the Transferee Company pursuant to this Scheme.
- 13.3.7 Without prejudice to the foregoing provisions, the Transferee Company/the Transferor Company may execute any instruments or documents or do all such acts and deed as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.



13.3.8 The provisions of this clause 13.3 shall operate notwithstanding anything to the contrary contained in any instrument, deed, document or writing or the terms of sanction or issue or any security document; all of which instruments, deeds, documents or writings shall stand modified and/or superseded by the foregoing provisions.

13.4 Employees

13.4.1 All the employees, staff and workmen, pertaining to the Transferred Undertaking 2, shall become employees, staff and workmen of and be engaged by the Transferee Company, upon the Scheme coming into effect, on terms and conditions which, as a result, shall be no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of transfer and vesting of the Transferred Undertaking 2 and without any further act, deed or instrument on the part of the Transferor Company or the Transferee Company.

13.4.2 All contributions made by the Transferor Company on behalf of its employees, staff and workmen and all contributions made by the employees, staff and workmen including the interests arising thereon, to the funds and standing to the credit of the employees, staff, workmen and contract labour account with such funds, shall, upon this Scheme becoming effective, be transferred to the Transferee Company along with such of the investments made by such funds which are referable and allocable to the employees, staff, workmen and contract labour of the Transferred Undertaking 2 of the Transferor Company and the Transferee Company shall stand substituted for the Transferor Company with regard to the obligation to make the said contributions.

13.4.3 With regards to provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of employees, staff and workmen pertaining to the Transferred Undertaking 2, upon the Scheme becoming effective, shall be continued on no less favourable terms and conditions by the Transferee Company and, the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of Applicable Law or otherwise. It is the intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company without need of



any fresh approval from any Appropriate Authority. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees, staff and workmen and the services of all such employees, staff and workmen of the Transferor Company for such purpose shall be treated as having been continuous.

- 13.4.4 The Transferee Company agrees that the services of all employees, staff and workmen of the Transferor Company, pertaining to the Transferred Undertaking 2 prior to the transfer, shall be taken into account for the purposes of all benefits to which such employees, staff and workmen may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, superannuation, provident fund and other retirement benefits and accordingly, such benefits shall be reckoned from the date of their respective appointment in the Transferor Company. The Transferee Company undertakes to pay the same, as and when payable under Applicable Law.
- 13.4.5 The contributions made by the Transferor Company under Applicable Law in connection with the employees, staff and workmen of the Transferred Undertaking 2 of the Transferor Company, to the funds, for the period after the Appointed Date shall be deemed to be contributions made by the Transferee Company.
- 13.4.6 The Transferor Company will transfer/handover to the Transferee Company, copies of employment information of all such transferred employees, staff and workmen of the Transferred Undertaking 2, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's, staff's and workman's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files and all forms, notifications, order and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause to the extent permitted by Applicable Law.
- 13.4.7 The Transferee Company shall continue to abide by any agreement(s)/settlement(s) entered into by the Transferor Company with employees of the Transferred Undertaking 2 to the extent applicable in relation to the Transferred Undertaking 2, which are subsisting or having effect immediately prior to the Appointed Date and continuing from the Appointed Date till the Effective Date.



13.4.8 Any disciplinary action initiated by the Transferor Company against any employee, staff and workmen of the Transferred Undertaking 2 shall have full force, effect and continuity as if it was initiated by the Transferee Company instead of the Transferor Company.

13.5 Legal Proceedings

13.5.1 All proceedings of whatsoever nature (legal, quasi judicial and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) whether by or against the Transferor Company and pertaining to the Transferred Undertaking 2, shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer and vesting of the Transferred Undertaking 2 or anything contained in this Scheme.

13.5.2 Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal proceedings, (including before any statutory or quasi-judicial authority or arbitrator or tribunal) whether by or against the Transferor Company pertaining to the Transferred Undertaking 2, whether pending and/or arising on or before the Effective Date shall be continued and/or enforced by or against the Transferee Company and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Transferee Company.

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

13.5.4 Notwithstanding the above, in case the proceedings referred to in Clause 13.5.1 to 13.5.3 above cannot be transferred for any reason, or the transfer takes time, till such transfer the Transferor Company shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the Transferee Company shall reimburse, indemnify and hold harmless the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.

13.6 The experience, track record and credentials of the Transferred Undertaking 2 in relation to the supply of products, equipment and services to various authorities, agencies and clients prior to its transfer to Transferee Company



shall be taken into account and treated and recognised as the experience, track record and credentials of the Transferred Undertaking 2 even after its transfer to the Transferee Company, including for the purpose of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of such authorities, agencies and clients.

13.7 The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after the Effective Date, in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds and/or documents of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the Appropriate Authorities, in order to give formal effect to the above provisions. The Transferee Company shall, for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such deeds, documents and writings for and on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above or otherwise required to be carried out or performed on the part of the Transferor Company.

13.8 The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after the Effective Date in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary for transfer/vesting of the Government Approvals, sanctions, consents, exemptions, rebates, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company in relation to the Transferred Undertaking 2 including its business and operations, into the Transferee Company. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by NCLT, and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company (including its successors and assigns) shall, if and as required, file, appropriate applications/documents etc. with Appropriate Authorities concerned for information and record purposes. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such applications/documents etc. for and on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.



14. Conduct of business

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

- 14.1 the Transferor Company shall carry on and shall be deemed to have carried on all its business activities pertaining to the Transferred Undertaking 2 and shall hold and stand possessed and shall be deemed to have held and stood possessed of all the said assets, rights, title, interests, authorities, contracts, investments and decisions, benefits for and on account of and in trust for the Transferee Company;
- 14.2 all obligations, liabilities, duties and commitments attached, related or pertaining to the Transferred Undertaking 2 of the Transferor Company shall be undertaken and shall be deemed to have been undertaken for and on account of and in trust for the Transferee Company; and
- 14.3 all profits or income arising or accruing in favour of the Transferor Company in relation to the Transferred Undertaking 2 and all Taxes paid thereon or losses arising or incurred by the Transferor Company in relation to the Transferred Undertaking 2 shall, for all intent and purposes, be treated as and be deemed to be the profits or income, Taxes or losses, as the case may be, of the Transferee Company. It is hereby clarified that any Tax payable by or refundable relating to the Transferred Undertaking 2, including all or any Tax refunds or tax liabilities or Tax claims arising from pending Tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the Tax liability or Tax refunds/Tax claims (whether or not recorded in the books relating to the Transferred Undertaking 2) of the Transferee Company.

15. Consideration for Slump Sale

- 15.1 Upon the Scheme coming into effect and upon transfer and vesting of the Transferred Undertaking 2 of the Transferor Company into the Transferee Company pursuant to the Slump Sale as stated herein, the lump sum consideration of Rs. 15,83,00,000/- (Rupees Fifteen Crores and Eighty Three Lakhs only) shall be payable in cash by the Transferee Company to the Transferor Company. The consideration of Rs. 15,83,00,000/- (Rupees Fifteen Crores and Eighty Three Lakhs only) shall be discharged within 6 months from the Effective Date or such other date and terms as determined by the Board of Directors.



16. Accounting Treatment in the books of the Transferor Company and Transferee Company

Notwithstanding anything to the contrary, upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall give effect to the accounting treatment in their respective books of account in accordance with "Indian Accounting Standard (Ind-AS)- 103 - Business Combination" and other applicable Ind-AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles as applicable on the Effective Date.

17. Validity of existing resolutions, etc.

17.1 Upon the coming into effect of the Scheme, the resolutions passed by the Board of Directors and/or the shareholders of the Transferor Company pertaining to the Transferred Undertaking 2, as are considered necessary by the Board of Directors of the Transferee Company and which are valid and subsisting shall continue to be valid and subsisting and be considered as the resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits as are considered necessary by the Board of Directors of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Board of Directors and/or the shareholders of the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

17.2 Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Transferred Undertaking 2 or whether it arises or does not arise out of the activities, business or operations of the Transferred Undertaking 2 shall be decided by mutual agreement between the respective Boards of Directors of the Transferor Company and the Transferee Company.

18. Residual Business of the Transferor Company to continue with the Transferor Company

18.1 All the assets, liabilities and obligations together with the business and operations, pertaining to the Residual Business of the Transferor Company, shall continue to belong to and remain vested in and be managed by the Transferor Company.

18.2 All legal and other proceedings by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, whether or not in respect of any matter



arising before the Effective Date and pertaining or relating to the Residual Business of the Transferor Company (including those relating to any property, right, power, liability, obligation or duty, of the Transferor Company in respect of the Residual Business of the Transferor Company) shall be continued and enforced solely by or against the Transferor Company.

18.3 All profits accruing to the Transferor Company or losses arising or incurred by it (including the effect of Taxes, if any, thereon) relating to the Residual Business of the Transferor Company shall, for all purposes, be treated as the profits or losses, as the case may be, of the Transferor Company.

18.4 All assets and properties acquired by the Transferor Company in relation to the Residual Business of the Transferor Company, on and after the Appointed Date shall belong to and continue to remain vested in the Transferor Company.

PART IV AMALGAMATION OF AMALGAMATING COMPANY WITH AMALGAMATED COMPANY

19. Upon the occurrence of the Slump Sale pursuant to Part II and Part III of this Scheme, the Transferor Company shall be referred to as the "Amalgamated Company" for the purposes of Part IV of the Scheme. With effect from the Appointed Date and upon the coming into effect of this Scheme, pursuant to the provisions of Section 230 to 232 of the Act and other applicable provisions of the Act, the Amalgamating Company shall stand merged with and be vested in the Amalgamated Company, as a going concern in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing but subject to existing Encumbrances affecting the same, so as to become, as and from the Appointed Date, the undertaking, businesses, properties and other belongings, of the Amalgamated Company by virtue of and in the manner provided in this Scheme.

20. Without prejudice to the generality of clause 19 of the Scheme upon the coming into effect of the Scheme and with effect from the Appointed Date:

20.1 all assets (whether or not recorded in the books of accounts) of the Amalgamating Company that are movable in nature or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery and on the Scheme becoming effective, shall stand vested in the Amalgamated Company and shall be deemed to have been physically handed over by physical delivery or by endorsement and delivery as the case may be, without the need to execute any separate instrument to the Amalgamated Company to the end and intent that the property and benefit therein passes to the Amalgamated Company.



- 20.2 all assets of Amalgamating Company that are movable in nature, other than those in sub-clause 20.1 above, investments in shares and other securities, sundry debtors, actionable claims, receivables, 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 Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, stand transferred to and vested in the Amalgamated Company upon the coming into effect of this Scheme and with effect from the Appointed Date, become the property of the Amalgamated Company, without any notice or other intimation to the debtors or obligors or any other person. The Amalgamated Company may (without being obliged to do so), if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor or any other person, that pursuant to the sanction of the Scheme by NCLT, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Amalgamated Company as the person entitled thereto, to the end and intent that the right of the Amalgamating Company to recover or realise all such debts (including the debts payable by such debtor or obligor or any other person to the Amalgamating Company) stands transferred and assigned to the Amalgamated Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors or other persons to record such change.
- 20.3 all lease and licence agreements entered into by the Amalgamating Company with various landlords, owners and lessors in connection with the use of the assets of the Amalgamating Company, together with security deposits, shall stand automatically transferred and vested in favour of the Amalgamated Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Amalgamated Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Amalgamating Company.
- 20.4 all immovable properties of the Amalgamating Company including land, building, offices, sites and accretions and appurtenances and rights, title and interest in connection with the said immovable properties whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall upon this Scheme becoming effective, stand transferred to and vested in the Amalgamated Company, without any further act or deed done/executed or being required to be done/executed by the Amalgamating Company or the Amalgamated Company or both. The Amalgamated Company shall be entitled to exercise and enjoy all rights and privileges attached to such immovable properties and shall be liable to pay the ground



rent and taxes and fulfil all obligations. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Amalgamated Company by the Appropriate Authorities pursuant to the sanction of this Scheme by NCLT and upon the Scheme becoming effective in accordance with the terms hereof.

20.5 all Contracts (including contracts for services and contracts with Antrix Corporation Ltd.) and other instruments to which the Amalgamating Company is a party, or to the benefit of which the Amalgamating Company may be entitled, and which are subsisting or having effect immediately prior to the Effective Date, shall, without any further act, instrument or deed, continue in full force and effect against or in favour of, as the case may be, the Amalgamated Company, and may be enforced effectively by or against the Amalgamated Company as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligor or obligee thereto or thereunder. Such contracts shall continue to be in full force and continue as effective as hitherto for in favour of or against the Amalgamated Company and shall be the legal and enforceable rights and interests of the Amalgamated Company, which can be enforced and acted upon as fully and effectually as if, it were the Amalgamating Company and shall be deemed to be its successor in interest. Upon the Scheme becoming effective, the rights, duties, obligations, interests flowing from such contracts, shall be deemed to have been entered in and novated to the Amalgamated Company and the Amalgamated Company shall be deemed to be the Amalgamating Company's substituted party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Amalgamating Company (and not by any of its successors), shall be fulfilled by the Amalgamated Company as if it were the duly constituted attorney of the Amalgamating Company. All inter-se contracts between the Amalgamated Company and the Amalgamating Company shall stand cancelled and cease to operate upon this Part IV of the Scheme becoming effective.

20.6 all guarantees provided by any bank in favour of the Amalgamating Company outstanding as on the Effective Date, shall stand substituted in favour of and vest in the Amalgamated Company and shall enure to the benefit of the Amalgamated Company and, all guarantees issued by the bankers of the Amalgamating Company at the request of the Amalgamating Company favouring any third party shall be deemed to have been issued at the request of the Amalgamated Company and continue to remain in full force in favour of such third party till its maturity or earlier termination.



- 20.7 all Intellectual Property Rights of the Amalgamating Company, if any, shall stand vested in the Amalgamated Company without any further act, instrument or deed, upon the Scheme becoming effective.
- 20.8 all Taxes payable by or refundable to the Amalgamating Company, including all or any refunds or claims shall be treated as the Tax liability or refunds/claims, as the case may be, of the Amalgamated Company, and any Tax incentives, advantages, privileges, exemptions, rebates, benefits, credits, remissions, reductions, or Tax holidays, as would have been available to the Amalgamating Company, shall pursuant to the Scheme becoming effective, be available to the Amalgamated Company and following the Effective Date, the Amalgamated Company shall be entitled to initiate, raise, add or modify any claims in relation to such Taxes on behalf of the Amalgamating Company.
- 20.9 all Government Approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates of every kind and description whatsoever of or to the benefit of the Amalgamating Company may be eligible/entitled, and which are subsisting or having effect immediately before the Scheme coming into effect, shall by endorsement, delivery or recordal pursuant to the vesting orders of NCLT sanctioning the Scheme, and on the Scheme becoming effective, be deemed to be Government Approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Appropriate Authority for the purpose of carrying on its business or in connection therewith) and certificates of every kind and description of whatsoever nature, of the Amalgamated Company, and shall be in full force and effect in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligor thereto.
- 20.10 the Amalgamated Company shall be entitled to claim refunds or credits, including input tax credits, with respect to Taxes paid by for, or on behalf of, the Amalgamating Company under Applicable Law, including but not limited to sales tax, goods and service tax, as applicable, value added tax, service tax, excise duty cess or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, input tax credits already availed of or utilized by the Amalgamating Company and the Amalgamated Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.



- 20.11 all benefits of any and all corporate approvals as may have already been taken by the Amalgamating Company, whether being in the nature of compliances or otherwise, shall under the provisions of Section 230 to 232 of the Act, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Amalgamated Company as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken/ complied with by the Amalgamated Company.
- 20.12 all the resolutions, if any, of the Amalgamating Company, which are valid and subsisting, shall under the provisions of Sections 230 to 232 of the Act, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Amalgamated Company and if any such resolutions have any monetary limits approved under the provisions of the Act, then the said limits shall be added to the limits, if any, under like resolutions passed by the Amalgamated Company and shall constitute the aggregate of the said limits in the Amalgamated Company.
- 20.13 upon the Scheme becoming effective, the Amalgamated Company shall be entitled to without limitation, operate the Bank accounts, including transacting in cash, cheque, NEFT, RTGS, or any other electronic mode, intra company, inter company, other settlements, availing and utilizing any limits, issuing or receiving any guarantee of the Amalgamating Company or carry out any other transaction as it deems fit.
- 20.14 all books, records, files, papers, engineering and process information, catalogues, quotations, advertising materials, if any, lists of present and former clients, whether in physical or electronic form, of the Amalgamating Company to the extent possible and permitted under Applicable Law, be handed over to the Amalgamated Company.
21. Without prejudice to the generality of the Clauses mentioned above, the assets of the Amalgamating Company shall also include all permits, licences including the Internet Service Provider Licence and VSAT Service Licence issued by the DOT (described in Schedule I hereto), authorisation, spectrum, bandwidth rights and any other licences, approvals, clearances, authorities, quotas, allocations granted to the Amalgamating Company, all municipal approvals, permissions for establishing towers (including cell site licences) or receiving stations or any broadband and/ or approvals for bandwidth, authorisations, statutory rights, permissions, registrations, certificates, consents, authorities (including for the operation of bank accounts), power of attorneys (given by, issued to or executed in favour of the Amalgamating



Company) and benefits of all Contracts, allotments, consents, quotas, rights, easements, engagements, exemptions, entitlements, advantages of whatever nature and howsoever named, properties, movable, in possession or reversion, present or contingent of whatsoever nature and where-so-ever situated, liberties, ownerships rights and benefits, earnest moneys payable pertaining to the assets mentioned in the aforesaid Clauses, if any, all other rights and benefits, licences, powers, privileges and facilities of every kind, nature and description whatsoever; right to use and avail of telephones, telexes, facsimile, connections, installations and other communication facilities and equipment, titles, all other utilities, benefits of all contracts, government contracts, memoranda of understanding, project service agreements, pre-qualification, applications (including applications for and new licenses / permissions issued by DOT or other regulatory authority for mobile VSAT services on aircrafts, maritime vessels, etc or any other VSAT services), bids, tenders, letters of intent, concessions, non- possessory contractual rights or any other contracts, development rights, allocated deferred Tax and all other interest in connection with or relation to the Amalgamating Company on the Effective Date shall stand transferred to the Amalgamated Company in accordance with the Applicable Laws.

22. Without prejudice to the generality of clause 19 above, upon the Scheme coming into effect and with effect from the Appointed Date:

22.1 all the liabilities including secured and unsecured debts (whether in Indian Rupees or foreign currency), sundry creditors, contingent liabilities, reserves, provisions and funds, duties and obligations (whether or not provided in the books of the Amalgamating Company) of the Amalgamating Company, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilised for its business activities and operations shall, under the provisions of Sections 230 to 232 of the Act and other applicable provisions of Act, and all other provisions of Applicable Law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Amalgamated Company, and the same shall be assumed by the Amalgamated Company, to the extent they are outstanding on the Effective Date, and shall become on and from the Appointed Date the liabilities of the Amalgamated Company on the same terms and conditions as were applicable to the Amalgamating Company, and the Amalgamated Company alone shall meet, discharge and satisfy the same.

22.2 all inter-se liabilities, between Amalgamating Company and Amalgamated Company, if any, due or outstanding or which may at any time immediately prior to the Effective Date become due or remain outstanding, shall stand cancelled and be deemed to have been discharged by such cancellation and consequently, there shall remain no inter-se liability between them as of Effective Date and corresponding effect shall be given in the books of account and records of Amalgamated Company.



- 22.3 all the existing Encumbrances, if any, existing prior to the Effective Date on the assets of the Amalgamating Company which secure or relate to the liabilities of the Amalgamating Company shall without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for transfer of the same, continue to relate and attach to only such assets or any part thereof to which they are related or attached prior to the Effective Date and are transferred to the Amalgamated Company. It is clarified that the aforesaid Encumbrances shall not extend to any assets of the Amalgamating Company which were earlier not encumbered or to the existing assets of the Amalgamated Company.
- 22.4 any reference, in any security documents or arrangements (to which the Amalgamating Company is a party), to the Amalgamating Company and assets and properties of Amalgamating Company, shall be construed as a reference to the Amalgamated Company and the assets and properties of the Amalgamating Company transferred to the Amalgamated Company pursuant to this Scheme.
- 22.5 without prejudice to the foregoing provisions, the Amalgamated Company/the Amalgamating Company may execute any instruments or documents or do all such acts and deed as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- 22.6 the provisions of this clause 22 shall operate notwithstanding anything to the contrary contained in any instrument, deed, document or writing or the terms of sanction or issue or any security document; all of which instruments, deeds, documents or writings shall stand modified and/or superseded by the foregoing provisions.

23. Employees

- 23.1 All the employees, staff and workmen if any, employed with the Amalgamating Company, shall become employees, staff and workmen of and be engaged by the Amalgamated Company, with effect from the Scheme coming into effect, on terms and conditions which, as a result, shall be no less favourable than those on which they are currently engaged by the Amalgamating Company, without any interruption of service as a result of the amalgamation and transfer and without any further act, deed or instrument on the part of the Amalgamating Company or the Amalgamated Company.



- 23.2 All contributions made by the Amalgamating Company on behalf of its employees, staff and workmen and all contributions made by the employees, staff and workmen including the interests arising thereon, to the funds and standing to the credit of such employee's, staff's and workman's account with such funds, shall, upon this Scheme becoming effective, be transferred to the Amalgamated Company along with such of the investments made by such funds which are referable and allocable to the employees, staff and workmen of the Amalgamating Company and the Amalgamated Company shall stand substituted for the Amalgamating Company with regard to the obligation to make the said contributions.
- 23.3 With regards to provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of employees, staff and workmen of the Amalgamating Company, upon Part IV of the Scheme becoming effective, shall be continued on no less favourable terms and conditions by the Amalgamated Company and, the Amalgamated Company shall stand substituted for the Amalgamating Company for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of Applicable Law or otherwise. It is the intent that all the rights, duties, powers and obligations of the Amalgamating Company in relation to such fund or funds shall become those of the Amalgamated Company without need of any fresh approval from any statutory authority. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees, staff and workmen and the services of all such employees, staff and workmen of the Amalgamating Company for such purpose shall be treated as having been continuous.
- 23.4 The Amalgamated Company agrees that the services of all employees, staff and workmen of the Amalgamating Company, prior to the transfer, shall be taken into account for the purposes of all benefits to which such employees, staff and workmen may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, superannuation, provident fund and other retirement benefits and accordingly, such benefits shall be reckoned from the date of their respective appointment in the Amalgamating Company. The Amalgamated Company undertakes to pay the same, as and when payable under Applicable Law.
- 23.5 The Amalgamating Company will transfer/handover to the Amalgamated Company, copies of employment information of all such transferred employees, staff and workmen of the Amalgamating Company, including but



not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's, , staff's and workman's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files and all forms, notifications, order and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.

- 23.6 The Amalgamated Company shall continue to abide by any agreement(s)/settlement(s) entered into by the Amalgamating Company with employees, staff and workmen of the Amalgamating Company which are subsisting or having effect immediately prior to the Appointed Date and continuing from the Appointed Date till the Effective Date.
- 23.7 Any disciplinary action initiated by the Amalgamating Company against any employee, staff and workman of the Amalgamating Company shall have full force, effect and continuity as if it was initiated by the Amalgamated Company instead of the Amalgamating Company.

24. Legal Proceedings

- 24.1 All proceedings of whatsoever nature (legal, quasi-judicial and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Amalgamating Company, shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or anything contained in this Scheme, but the said proceedings shall until Effective Date, be continued, prosecuted and enforced, by or against the Amalgamating Company, as if this Scheme had not been made.
- 24.2 Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or arbitrator or tribunal) by or against, the Amalgamating Company, whether pending and/or arising on or before the Effective Date shall be continued and/or enforced by or against the Amalgamated Company and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Amalgamated Company.
- 24.3 The Amalgamated Company undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated by or against the Amalgamating Company, transferred to its name and to have the same continued, prosecuted and enforced by or against the Amalgamated Company.



25. The experience, track record and credentials of the Amalgamating Company in relation to the supply of products, equipment and services to various authorities, agencies and clients prior to its amalgamation with the Amalgamated Company shall be taken into account and treated and recognised as the experience, track record and credentials of the Amalgamated Company including for the purpose of eligibility, standing, evaluation and participation of the Amalgamated Company in all existing and future bids, tenders and contracts of such authorities, agencies and clients.
26. The Amalgamating Company and/or the Amalgamated Company, as the case may be, shall, at any time after the Effective Date, in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds and/or documents of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Amalgamating Company is a party, including any filings with the Appropriate Authorities, in order to give formal effect to the above provisions. The Amalgamated Company shall, for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such deeds, documents and writings for and on behalf of the Amalgamating Company and to carry out or perform all such formalities or compliances referred to above or otherwise required to be carried out or performed on the part of the Amalgamating Company.
27. The Amalgamating Company and/or the Amalgamated Company, as the case may be, shall, at any time after the Effective Date, in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary for transfer/vesting of the Government Approvals, sanctions, consents, exemptions, rebates, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Amalgamating Company including its business and operations, into the Amalgamated Company. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Amalgamated Company pursuant to the sanction of this Scheme by NCLT, and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Amalgamated Company (including its successors and assigns) shall, if and as required, file, appropriate applications/documents etc. with Appropriate Authorities concerned for information and record purposes. The Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such applications/documents etc. for and on behalf of the Amalgamating Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.



28. Upon the Scheme becoming effective, the Amalgamated Company shall be entitled to without limitation, operate the Bank accounts, including transacting in cash, cheque, NEFT, RTGS, or any other electronic mode, intra company, inter company, other settlements, availing and utilizing any limits, issuing or receiving any guarantee of the Amalgamating Company or carry out any other transaction as it deems fit.

29. **Conduct of Business**

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

- 29.1 The Amalgamating Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for, the Amalgamated Company;
- 29.2 All obligations, liabilities, duties and commitments attached, shall be undertaken and shall be deemed to have been undertaken by the Amalgamating Company for and on account of and in trust for the Amalgamated Company;
- 29.3 All profits and income accruing or arising to or losses and expenses arising, incurred or accruing to the Amalgamating Company, for the period commencing from the Appointed Date, shall for all purposes be treated as and be deemed to be the profits, income, losses or expenses, as the case may be, of the Amalgamated Company;
- 29.4 Any of the rights, powers, authorities or privileges exercised by the Amalgamating Company, shall be deemed to have been exercised by the Amalgamating Company for and on behalf of, and in trust for and as an agent of the Amalgamated Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Amalgamating Company, shall be deemed to have been undertaken for and on behalf of and as an agent of the Amalgamated Company;
- 29.5 All Taxes, where applicable, payable by or refundable to the Amalgamating Company including all or any Tax refunds or Tax liabilities or Tax claims arising from pending Tax proceedings, under Applicable Law, on or before the Effective Date, shall be treated as or deemed to be treated as the Tax liability or Tax refunds/ Tax claims (whether or not recorded in the books of the Amalgamating Company) as the case may be, of the Amalgamated Company, and any unabsorbed Tax losses and depreciation as would have been available to the Amalgamating Company on or before the Effective Date shall be available to the Amalgamated Company upon the Scheme becoming effective.



29.6 The Amalgamating Company may raise or utilize loans from the Amalgamated Company or discharge loans or interest amounts (if any) due or payable or which may at any time prior to the Effective Date become due or payable to the Amalgamated Company.

30. Saving of Concluded Transactions

Subject to the terms of the Scheme, the transfer and vesting of the Amalgamating Company as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Amalgamating Company on or before the Appointed Date or after the Appointed Date until the Effective Date, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds and things made, done and executed by the Amalgamating Company or its predecessors as acts, deeds and things made, done and executed by or on behalf of the Amalgamated Company.

31. Consideration

Upon this Scheme becoming effective and with effect from the Appointed Date, in consideration of the transfer and vesting of the undertaking, businesses, properties and other belongings of the Amalgamating Company in the Amalgamated Company in terms of the Scheme, the entire paid up share capital of the Amalgamating Company fully held by the Amalgamated Company (either held in its own name or through its nominee (s)) on the Effective Date, shall stand cancelled in its entirety, without any further act, instrument or deed. The Amalgamated Company shall not be required to issue and allot any shares as the Amalgamated Company and its nominee are themselves the only shareholders of the Amalgamating Company.

32. Accounting Treatment in the books of the Amalgamated Company

Notwithstanding anything to the contrary, upon the Scheme becoming effective, the Amalgamated Company shall give effect to the accounting treatment in its books of account in accordance with "Indian Accounting Standard (Ind-AS)- 103 - Business Combination" and other applicable Ind-AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles as applicable on the Effective Date.

33. Winding Up

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



34. Compliance with Section 2(1B) of the Income Tax and provisions of Section 232 of the Act

The provisions of this Scheme as they relate to the amalgamation of the Amalgamating Company into and with the Amalgamated Company have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the Income tax Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section of the Income Tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income Tax Act, shall prevail and the provisions of this Part IV of the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act. Such modification will, however, not affect the other parts of the Scheme.

35. Combination of Authorised Share Capital

35.1 As an integral part of the Scheme, and upon the coming into effect of the Scheme, the authorized share capital of the Amalgamating Company shall stand transferred to and be added with the authorized share capital of the Amalgamated Company without any liability for payment of any additional registration fees and stamp duty pursuant to the provisions of Sections 13, 14, 61 and Section 232(3) of the Act and no resolutions or consent and approvals would be required to be passed by the Amalgamated Company.

35.2 Consequently upon the merger of the authorized share capital pursuant to clause 35.1, Clause V of the Memorandum of Association of the Amalgamated Company upon the coming into effect of this Scheme and without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 61 and Section 232 and other applicable provisions of the Act, as the case may be and be replaced by the following clause:

"V. The Capital of the company is Rs 55,00,00,000 divided into 3,00,00,000 Equity Shares of Rs 10/- each and 25,00,000 Redeemable Preference Shares of Rs 100/- each (with the rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being), with power to increase and reduce the Capital of the Company and to divide the Shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.



- 35.3 Consequent upon the merger of the authorized share capital pursuant to clause 35.1, Article 5 of the Articles of Association of the Amalgamated Company upon the coming into effect of this Scheme and without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 14 and Section 232 and other applicable provisions of the Act, as the case may be and be replaced by the following clause:

"V. The capital of the Company is Rs 55,00,00,000/- divided into 3,00,00,000 Equity Shares of Rs 10/- each and 25,00,000 Redeemable Preference Shares of Rs 100/- each (with the rights privileges and conditions attaching thereto as are provided by the Articles of Association of the Company for time being), with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company."

- 35.4 It is clarified that the approval of the members of the Amalgamated Company to the Scheme shall be deemed to be their consent/approval for the increase of the authorized capital, amendment of the capital clause of the Memorandum of Association and Articles of Association under the provision of Section 13, 14 and 232 of the Act and other applicable provisions of the Act.

36. Change in object clause of the Amalgamated Company

- 36.1 With effect from the Appointed Date and upon the Scheme becoming effective, the main object clause of the Memorandum of Association of the Amalgamated Company shall be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business activities of the Amalgamating Company, pursuant to the provisions of Section 13 of the Act and other applicable provisions of the Act and applicable rules. Accordingly the main object clause of the Memorandum of Association of the Amalgamated Company shall be altered and amended and the following clause shall be inserted after Clause III (1-F) of the Memorandum of Association of the Amalgamated Company.

"(1-G) To carry on in India and elsewhere, either on its own or in alliance with any other Person/Body/Bodies Corporate incorporated



in India or abroad either under strategic alliance or Joint Venture or any other arrangement the business of establishing, setting, arranging, undertaking, consulting, advising, managing, planning, designing, operating, promoting, organizing, conducting, observing, controlling, customizing, providing, selling, letting on hire, taking and giving on lease, installing, maintaining, producing, modifying, to provide communication services including VSAT based satellite and broadband communication services including Maritime and Aeronautical Communication Services and such other domestic/ international telecommunications services as are in use elsewhere or to be developed in future, to plan, establish, develop, provide, operate and maintain telecommunications systems and networks within India or outside India as are found necessary for domestic and international telecommunications, digital satellite news gathering services, internet protocol television, digital signage, domestic and international data gateway networks, data transmission, telematics, video conferencing, streaming video, digital video broadcast, distance learning, digital transmission, telemedicine, high speed internet, virtual private network services, beaming to single / multi screen cinema, up linking of TV signals, teleport services, Internet services, systems and connectivity with telephone network using telephone, satellites and transponders, Voice-over-Internet Protocol (VOIP), Broadband internet wireless, data and hosting services, Cyber shops, cyber classrooms, internet kiosks, E-mail services and Data-storage, server & storage co-location, data analytics and data processing related activities, leased lines, Multi Protocol Label Switching (MPLS) services, cloud based services and other allied service"

- 36.2 For the purpose of amendment in the Memorandum of Association of the Amalgamated Company as provided in this Clause, the consent / approval given by the members of the Amalgamated Company to this Scheme pursuant to Section 230 of the Act and any other applicable provisions of the Act shall be deemed to be sufficient and no further resolution of members of the Amalgamated Company as required under the provisions of Sections 13 of the Act and any other applicable provisions of the Act and applicable rules shall be required to be passed for making such change / amendment in the Memorandum of Association of the Amalgamated Company and filing of the certified copy of this Scheme as sanctioned by NCLT, in terms of Section 230/232 of the Act and any other applicable provisions of the Act, together with the order of NCLT and a printed copy of the Memorandum of Association for the purpose of the said Section 13 and all other applicable provisions of the Act and applicable rules and the Registrar of Companies, shall register the same and make the necessary alteration in the Memorandum of Association of the Amalgamated Company accordingly and



shall certify the registration thereof in accordance with the provisions of Section 13 and any other provisions of the Act.

- 36.3 The Amalgamated Company shall file with the Registrar of Companies, all requisite forms and complete the compliance and procedural requirements under the Act, if any.

PART V GENERAL TERMS AND CONDITIONS

37. Conditions to effectiveness of the Scheme

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

- 37.1.1 Shareholder and Creditor approval: This Scheme being approved by the respective requisite majorities of the various classes of shareholders and/or creditors, as applicable, of Nelco, TNSL and NNPL as required under the Act, and as directed by NCLT or dispensation having been received from NCLT in relation to obtaining such consent from the shareholders and/or creditors, as applicable;
- 37.1.2 Stock Exchanges Approval. The Transferor Company shall have received observation letter or no-objection letter from BSE and NSE in respect of the Scheme under the SEBI Circular which shall be in form and substance acceptable to Nelco, TNSL and NNPL, each acting reasonably and in good faith;
- 37.1.3 DOT Approval: The written approvals of DOT with respect to the transfer of the Internet Service Provider license and VSAT license (described in Schedule I hereto) from the Amalgamating Company to the Amalgamated Company under the Scheme shall have been received, which shall be in form and substance acceptable to Nelco and TNSL, each acting reasonably and in good faith;
- 37.1.4 Shareholder Approval under SEBI Circular: The majority of the public shareholders of the Transferor Company shall have approved the Scheme pursuant to, and in accordance with Regulation 37 of the SEBI LODR read with the SEBI Circular;
- 37.1.5 NCLT Sanction: NCLT having accorded sanction to the Scheme and if any modifications have been prescribed the same being acceptable to Nelco, TNSL and NNPL;
- 37.1.6 Certified copies of the Order of NCLT sanctioning the Scheme being filed with the Registrar of Companies, Mumbai; and



37.1.7 Such other approvals and sanctions of any Appropriate Authority as may be required by law in respect of the Scheme.

38. Applications/Petitions to NCLT

Nelco, TNSL and NNPL shall make and file all applications and petitions under Sections 230 to 232 of the Act before NCLT, for sanction of this Scheme under the provisions of law, and shall apply for such approvals as may be required under law.

39. Dividend

39.1 During the pendency of the Scheme, the Transferee Company, Amalgamating Company and Amalgamated Company shall be entitled to declare and pay dividends, whether interim and/or final, to their members in respect of the accounting period prior to the Effective Date.

39.2 The shareholders of the Transferee Company, Amalgamating Company and Amalgamated Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

39.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferee Company, Amalgamating Company and Amalgamated Company to demand or claim any dividends which, subject to the provisions of the Act, as applicable, shall be entirely at the discretion of the Board of Directors, subject to such approval of the members, as may be required.

40. Operational sequence of the Scheme

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

40.1.1 Slump Sale of the Transferred Undertaking 1 and Transferred Undertaking 2 of the Transferor Company to the Transferee Company, in terms of Part II and Part III of this Scheme;

40.1.2 Amalgamation of the Amalgamating Company with the Amalgamated Company, in terms of Part IV of this Scheme.



41. Each of the Transferor Company, the Transferee Company and the Amalgamating Company by their respective Boards of Directors or any committee thereof or any Director authorised in that behalf ("Delegate") may together assent to, or make from time to time, any modifications or amendments or additions to this Scheme which NCLT or any Appropriate Authority may deem fit to approve of or impose and which the companies may in their discretion accept, or such modifications or amendments or additions as the companies or as the case may be, their respective Delegates deem fit, or require for the purpose of resolving any doubts or difficulties that may arise in carrying out the purpose of this Scheme and as approved by NCLT, and the companies by their respective Board of Directors or Delegates are authorised to do and execute all acts, deed, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect. The aforesaid powers of the companies may be exercised by the Delegate of the respective companies. It is clarified that any modification or amendment to the Scheme by the companies, after the sanction by NCLT, shall only be made with the prior consent of NCLT.
42. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Delegates (acting jointly) of the companies may give and are authorised to determine and give all such directions as are necessary including directions for settling or removing any question on 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.
43. **Withdrawal of the Scheme**
- 43.1 The Transferor Company and /or the Transferee Company and /or the Amalgamating Company acting through their respective Board of Directors shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any NCLT/Appropriate Authority/person or otherwise is unacceptable to any of them or for any reason whatsoever.
- 43.2 In the case of withdrawal from the Scheme under clause 43.1, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company, Transferee Company and Amalgamating Company and their respective shareholders, creditors, employees or any other person save and except in respect of any act or deed done prior thereto as contemplated in this Scheme or as to any right liability or obligation that has accrued or arisen pursuant thereto and which shall be governed, worked out and preserved as specifically provided in the Scheme or in accordance with Applicable Law.



44. Severability

Each provision or part of this Scheme is independent and is severable. Any failure of any one provision or part of this Scheme for lack of necessary approval from the shareholders/ creditors/ Appropriate Authorities or for any other reason that the Board of Directors may deem fit shall not result in the whole Scheme failing. It shall be open to the Board of Directors concerned to consent to sever such provision(s) or part(s) of the Scheme and implement the rest of the Scheme with such modification

45. Costs

- 45.1 In the event of the Scheme not being sanctioned by NCLT, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.
- 45.2 Subject to Clause 45.1 above, all costs, charges and expenses (including, but not limited to, any Taxes and duties, stamp duty, registration charges) payable in relation to or in connection with the Scheme and or carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of the Scheme shall be borne and paid solely by Nelco.

Schedule I

Telecom Licenses held by the Amalgamating Company

Sr. No.	License Type	Effective Date	Service Area
1.	VSAT License no. 815-80/ 2001/LR dated 27 th February, 2003	27 th February, 2003	India
2.	ISP License no. 820-952/07-LR dated 16 th April, 2008	16 th April, 2008	India

Certified True Copy
NELCO LIMITED

Girish V. Kirkinde
Girish V. Kirkinde
Company Secretary &
Head - Legal

