

September 01, 2017

To,
The Board of Directors
NELCO Limited
EL-6, TTC Industrial Area
MIDC, Mahape
Navi Mumbai- 400 710
Maharashtra

To,
The Board of Directors
TATANET Services Limited
EL-6, TTC Industrial Area
MIDC, Mahape
Navi Mumbai- 400 710
Maharashtra

To,
The Board of Directors
NELCO Network Products Limited
EL-6, TTC Industrial Area
MIDC, Mahape
Navi Mumbai- 400 710
Maharashtra

Dear Sirs,

Sub: Valuation in respect of Composite Scheme of Arrangement and Amalgamation between NELCO Limited, TATANET Services Limited and NELCO Network Products Limited

We understand that the Management of the above companies are contemplating a Composite Scheme of Arrangement and Amalgamation under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 between NELCO Limited, TATANET Services Limited and NELCO Network Products Limited and their respective shareholders and creditors pursuant to which it is proposed that:

- NELCO Limited ("NELCO" or "Transferor Company" or "Amalgamated Company") shall transfer its two independent business being Transferred Undertaking 1¹ (ISSS Business) and Transferred Undertaking 2² (VSAT Business) under slump sale arrangement, on a going concern basis, to NELCO Network Products Limited ("NNPL" or "Transferee Company") with Appointed Date as on April 1, 2017; and
- Consequent to the above, TATANET Services Limited ("TNSL" or "Amalgamating Company") shall be amalgamated with NELCO Limited with Appointed Date as on April 1, 2017.



¹ Defined under Clause 5 of the proposed Scheme

² Defined under Clause 5 of the proposed Scheme

We have been requested to conduct valuation of the aforesaid businesses (ISSS Business and VSAT Business) and determine swap ratio for amalgamation of TNSL with NELCO as envisaged in the draft Composite Scheme of Arrangement and Amalgamation ("**the Scheme**"):

- **PART II (Transfer of ISSS Business into NNPL under slump sale arrangement)**
- **PART III (Transfer of VSAT Business into NNPL under slump sale arrangement)**
- **PART IV (Amalgamation of TNSL with NELCO)**

In the following paragraphs, we have summarized our understanding of the key facts; key information relied upon, valuation approach and limitation to our scope of work. Our report is structured as under:

1. Background
2. Valuation of ISSS Business and VSAT Business (PART II and III of the Scheme)
3. Amalgamation of TNSL with NELCO (PART IV of the Scheme)
4. Key Information relied upon
5. Scope Limitation

1. Background

1.1 NELCO Limited, a listed public company, is presently engaged in the business of providing Integrated Security and Surveillance solutions and providing Very Small Aperture Terminals hardware and allied services consisting of network management, project management, infrastructure services, turnkey solutions for satellite communication systems, and co-location services to customers.

- As on date, total paid-up equity share capital of NELCO Limited is 22,817,461 shares of Rs. 10 each amounting to Rs. 228,174,610 as shown under:

Shareholders of NELCO Limited	Paid-up equity share capital (Rs.)	%
Tata Power Company Limited (along with its subsidiaries and associate companies)	114,280,400	50.1%
Public shareholders	113,894,210	49.9%
Total	228,174,610	100%

[Source: www.bseindia.com and Management representation]

- The equity shares of NELCO Limited are currently listed on the National Stock Exchange of India Limited and BSE Limited. As can be noted from the above, Tata Power Company Limited (along with its subsidiaries and associate companies) holds 50.1% equity in NELCO Limited and balance 49.9% equity are held by the public shareholders.
- Amongst other investments, NELCO Limited has wholly owned subsidiaries – TATATNET Services Limited (TNSL) and NELCO Network Products Limited (NNPL). Both TNSL and NNPL are unlisted public limited companies.



- Thus, Tata Power Company Limited (along with its subsidiaries and associate companies) directly and / or indirectly hold 50.1% equity ownership in NELCO, TNSL and NNPL. The proposed Scheme envisages restructuring of businesses amongst NELCO, TNSL and NNPL and there would be no change in the present shareholding of NELCO Limited.
- NELCO Limited proposes to transfer its Transferred Undertaking 1 (ISSS Business) and Transferred Undertaking 2 (VSAT Business) to NNPL under slump sale arrangement, on a going concern basis, with Appointed Date as on April 1, 2017.
- Post slump sale of aforesaid businesses, NELCO Limited will continue to operate its residual business, as defined at Clause 5 of the Scheme under definition of “*Residual Business of the Transferor Company*” as enclosed at Annexure A hereto.

1.2 TATANET Services Limited (TNSL or Amalgamating Company), an unlisted public company, 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. 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.

- TNSL is a wholly owned subsidiary of NELCO Limited. As on date, total paid-up equity share capital held of TNSL is Rs. 49,000,000 comprising of 4,900,000 shares of Rs. 10 each, which is entirely held by NELCO Limited.
- In accordance with Part IV of the Scheme, it is proposed that TNSL shall be amalgamated with NELCO Limited with Appointed Date as on April 1, 2017.

1.3 NELCO Network Products Limited (NNPL or Transferee Company), an unlisted public company, has been recently incorporated on September 8, 2016 under the Companies Act, 2013.

- NNPL is a wholly owned subsidiary of NELCO Limited. As on date, total paid-up equity share capital of NNPL is Rs. 500,000 comprising of 50,000 shares of Rs. 10 each, which is entirely held by NELCO Limited.
- NNPL is yet to commence any business activity.
- The main objects of NNPL as per its memorandum of association includes 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. Valuation of ISSS Business and VSAT Business

- 2.1 In accordance with Part II and III of the Scheme, it is proposed that NELCO Limited would transfer its Transferred Undertaking 1 (ISSS Business) and Transferred Undertaking 2 (VSAT Business) to NELCO Network Products Limited (NNPL) under slump sale arrangement, on a going concern basis, for a lumpsum consideration with Appointed Date as April 1, 2017.

[A] VALUATION APPROACH AND METHODOLOGY:

- 2.2 Generally, there are several commonly used and accepted methods for determining the value of a business and each of them is briefly stated as under:

2.2.1 Income Approach – Discounted Cash Flow (DCF) method

Under DCF method, value of a business can be assessed using the projected free cash flows to the firm which are then discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

2.2.2 Market Approach – Comparable Companies Multiple method

Under this method, value of a business is arrived at by using multiples derived from valuation of comparable companies or comparable transactions, as manifested through stock market valuations of listed companies and the transaction valuation. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to the valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

2.2.3 Asset Approach – Net Asset Value method

The asset based valuation technique is based on the value of the underlying net assets of the business on a book value basis. A scheme of restructuring would normally be proceeded with the assumption that the restructured business would continue to operate as going concern and an actual realization of the operating assets is not contemplated.

- 2.3 It should be noted that application of any particular method of valuation depends on the purpose for which the valuation is done.



- 2.4 This Scheme proposes restructuring of various businesses of NELCO and its subsidiary (NNPL) to enable better realization of potential of the businesses and other business considerations as stated at Clause 3 (Rationale) of the Proposed Scheme. Under the present facts, the proposed slump sale of ISSS business and VSAT business is from the holding company (NELCO Limited) to its wholly owned subsidiary (NNPL) and as a result of which, post slump sale, the economic and beneficial ownership in such ISSS business and VSAT business continues to rest with NELCO Limited (holding company).
- 2.5 Post such transfer, the interest of the shareholders of NELCO Limited would not be prejudicially affected based on the consideration attributed to each of such business and accordingly, the Management of both the companies (NELCO and NNPL) has represented that valuation of Transferred Undertaking 1 (ISSS Business) and Transferred Undertaking 2 (VSAT Business) be conducted based on the Net Asset Value Method, considering book values as on March 31, 2017, being the date immediately preceding the Appointed Date.
- 2.6 Accordingly, for purpose of this engagement, we have applied only the Net Asset Value Method.

[B] VALUATION OF TRANSFERRED UNDERTAKING 1 (ISSS BUSINESS) AND TRANSFERRED UNDERTAKING 2 (VSAT BUSINESS)

- 2.7 ISSS Business include the business of providing solutions in the areas of automation control of Integrated Security and Surveillance Solutions through the supply, installation and fixed annual maintenance of security systems to railways, oil companies, large Government undertakings and other customers and in particular as defined as "Transferred Undertaking 1" and "Transferred Business 1" as defined at Clause 5 of the proposed Scheme, as enclosed at **Annexure B** hereto and now referred to as **"Transferred Undertaking 1"** for purpose of this document.
- 2.8 VSAT Business include 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 and in particular as defined as "Transferred Undertaking 2" and "Transferred Business 2" as defined at Clause 5 of the proposed Scheme, as enclosed at **Annexure C** hereto and now referred to as **"Transferred Undertaking 2"** for purpose of this document.
- 2.9 It is noted that the aforesaid slump sale of businesses is in accordance of Section 2(42C) of the Income-tax Act, 1961.
- 2.10 Based on review of documents, information, explanations, representations made available and our discussion had with the Management and authorised representatives of the respective companies, the valuation summary of subject businesses to be transferred is presented below:



PART II of the Proposed Scheme: Transfer of Transferred Undertaking 1 as defined in Clause 5 (ISSS Business) under slump sale arrangement, on a going concern basis	NAV valuation of said <u>Transferred Undertaking 1</u> is Rs. 10.08 crores (<i>Rupees Ten Crores And Eight Lacs Only</i>) determined under Net Asset Value Method considering the book values as on March 31, 2017 in the books of accounts of NELCO Limited, being the date immediately preceding the Appointed Date.
PART III of the Proposed Scheme: Transfer of Transferred Undertaking 2 as defined in Clause 5 (VSAT Business) under slump sale arrangement, on a going concern basis	NAV valuation of said <u>Transferred Undertaking 2</u> is Rs. 15.83 crores (<i>Rupees Fifteen Crores And Eighty-Three Lacs Only</i>) determined under Net Asset Value Method considering the book values as on March 31, 2017 in the books of accounts of NELCO Limited, being the date immediately preceding the Appointed Date.

- 2.11 In this report, we have not considered matters of legal nature, including issues of legal title and compliance with local laws.
- 2.12 No enquiry has been made in respect of claim to title of assets or property of the Transferred Undertaking 1 and Transferred Undertaking 2 and we have relied solely on the representations made by the Management of the respective companies for purpose of this valuation report. We have not verified such representations against any title documents or any agreement evidencing right or interest in or over such assets or property, and have assumed the Transferred Undertaking 1 and Transferred Undertaking 2 claim to such rights, title or interest as valid for purpose of this report. We have not conducted due diligence in respect of any right, title or interest in property or assets and no responsibility is assumed in this respect or in relation to legal validity of any such claims.

3. Amalgamation of TATANET Services Limited with NELCO Limited

- 3.1 Subsequent to slump sale of Transferred Undertaking 1 and Transferred Undertaking 2, the Part IV of the proposed Scheme envisages amalgamation of TATANET Services Limited (*a wholly owned subsidiary of NELCO Limited*) with NELCO Limited.
- 3.2 Upon the proposed Scheme being effective, all shares held by NELCO Limited (Amalgamated Company) in the share capital of TATANET Services Limited (Amalgamating Company) shall stand cancelled in their 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.



4. Key Information relied upon

4.1 We have placed reliance on the information and explanations provided by the Management of the respective companies and their respective advisors and authorised representatives. Some of the key information relied upon is as under:

4.1.1 Financial statements:

- (i) Audited financial statements of NELCO Limited as on March 31, 2017.
- (ii) Audited financial statements of TATANET Services Limited as on March 31, 2017.
- (iii) Audited financial statements of NELCO Network Products Limited as on March 31, 2017.
- (iv) Carved-out unaudited statement of assets and liabilities of Transferred Undertaking 1 (ISSS Business) as on March 31, 2017, as duly certified by the Management.
- (v) Carved-out unaudited statement of assets and liabilities Transferred Undertaking 2 (VSAT Business) as on March 31, 2017, as duly certified by the Management.

4.1.2 Shareholding Pattern:

- (vi) Shareholding details of NELCO Limited, TATANET Services Limited and NELCO Network Products Limited as on April 1, 2017 and as on date, as duly certified by the Management.
- (vii) Tata Power Company Limited (along with its subsidiaries and associate companies) directly and / or indirectly hold 50.1% equity ownership in NELCO, TNSL and NNPL. The proposed restructuring of businesses amongst NELCO, TNSL and NNPL would not result into change in the present shareholding of NELCO Limited.

4.1.3 Draft Composite Scheme of Arrangement and Amalgamation:

- (viii) Draft Composite Scheme of Arrangement and Amalgamation between NELCO, TNSL and NNPL and their respective shareholders and creditors in accordance with Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as duly certified by the Management.
- (ix) Appointed Date is April 1, 2017.
- (x) Proposed Scheme has been drawn up to comply with "slump sale" and "amalgamation" in accordance with Sections 2(42C) and 2(1B) of the Income-tax Act, 1961 respectively.

4.2 Our discussions had, from time to time, with the Management of the respective companies and their advisors and authorised representatives.



5. Scope Limitation

- 5.1 We have placed reliance on various documents, information explanations, representations provided by the Management of NELCO Limited, TATANET Services Limited and NELCO Network Products Limited and their respective advisors and authorised representatives. Our reliance is based on the completeness and accuracy of the facts provided; which if not entirely complete or accurate, should be communicated to us immediately, as any inaccuracy or incompleteness could have a material impact on our findings.
- 5.2 It may be mentioned that NELCO Limited, TATANET Services Limited and NELCO Network Products Limited has been provided an opportunity to review the draft report for the current engagement to ensure that factual inaccuracies, omissions, etc are avoided in the report.
- 5.3 Our work was not designed to verify the accuracy or reliability of the information provided to us and nothing stated herein should be taken to imply that we have for purpose of this assignment conducted procedures, audits or investigations in an attempt to verify or confirm any of the information supplied to us.
- 5.4 The valuation exercise is based solely on the carved-out unaudited statement of assets and liabilities as on March 31, 2017 of the Transferred Undertaking 1 and Transferred Undertaking 2. Our work did not constitute an audit of the carved-out statement of assets and liabilities and accordingly, we do not express any opinion on fairness of the financial position as indicated in this report. Similarly, our work did not constitute validation of the carved-out statement of assets and liabilities of the Transferred Undertaking 1 and Transferred Undertaking 2 and accordingly, we do not express any opinion on the same.
- 5.5 We understand that the Management of the respective companies have brought to our attention all material transactions, events or any other factor having an impact on the valuation of the subject businesses under consideration.
- 5.6 This document has been prepared solely for purpose of assisting the Management of the respective companies, under consideration, in determining the NAV valuation of the subject businesses to be transferred from NELCO Limited to NELCO Network Products Limited and in respect of amalgamation of TATANET Services Limited, in accordance to our engagement letter dated July 27, 2017. This certificate has been prepared solely for the purposes stated herein and should not be relied upon for any other purpose. This certificate has been issued for the Board of Directors of the respective companies (to whom it is addressed) to enable NELCO Limited to seek fairness opinion from a merchant banker, make its application to the stock exchanges and National Company Law Tribunal and to submit to any regulatory / statutory authority as may be



required under any law and should not be used by any other person or any other purpose and must not be released to any third party without our express written consent which is at our sole discretion.

- 5.7 By its very nature, valuation work cannot be regarded as an exact science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. Although our conclusions are in our opinion reasonable, it is quite possible that others may not agree.

If you require any clarification on the above, we would be happy to clarify the same.

We are thankful to your team for kind co-operation and support during this assignment

Yours faithfully,

For Thacker & Associates
Chartered Accountants
Firm Registration No: 133591W

Prashant Thacker

Prashant J. Thacker
Partner
Membership No: 058363



Annexure A

Definition of “Residual Business of the Transferor Company” as per Clause 5 of the Composite Scheme of Arrangement and Amalgamation

“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.



Annexure B

Definition of "Transferred Business 1" and "Transferred Undertaking 1" as per Clause 5 of the Composite Scheme of Arrangement and Amalgamation

"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 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, 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, 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), 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, 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 exclusively 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 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 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, personnel, contract labourers of the Transferor Company, together with such of the investments made by these funds, which are referable to such staff, employees, personnel, 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 relating to service Tax, value added Tax and customs duty;*



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



Annexure C

Definition of "Transferred Business 2" and "Transferred Undertaking 2" as per Clause 5 of the Composite Scheme of Arrangement and Amalgamation

"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 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, 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, 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), 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, 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 exclusively 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 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 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, personnel, contract labourers of the Transferor Company, together with such of the investments made by these funds, which are referable to such staff, employees, personnel, 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 relating to service Tax, value added Tax and customs duty;*



- (ix) *all reserves, provisions and funds, books, records, files, papers, engineering and process information, databases, catalogues, quotations, advertising materials, lists of present and former credit, whether in physical or electronic form, pertaining to the Transferred Business 2; and*
- (x) *any other assets and liabilities.*

