

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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Certificate

The Board of Directors Bharti Airtel Limited

We have examined the accounting treatment specified in the attached copy of the proposed Scheme of Arrangement ['Scheme'] between Bharti Airtel Limited ['the Company'] and Airtel Broadband Services Private Limited (formerly 'Wireless Business Services Private Limited') ['The Transferor Company'], initialed by us for identification purposes. The Company proposes to amalgamate the operations of the Transferor Company with those of itself, through the Scheme with the approval of appropriate High Courts, under sections 391 and 394 of the Companies Act, 1956.

1. We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion.
2. This certificate relates only to accounting aspects dealt with in paragraph 15 of the Scheme.
3. Our examination did not extend to any aspects of a legal or propriety nature covered in the sections mentioned in paragraph 2 above or rest of the Scheme.
4. Read with the matter stated in paragraph 3 above, based on our examination, we hereby state, that the accounting treatment contained in the proposed Scheme is not in violation of the requirements of section 211(3C) of the Companies Act, 1956.
5. This certificate is intended solely for the use of the management of the Company for the purpose of submission to the Stock Exchanges as required by clause 24 of the listing agreement as amended and effective from 5 April 2010, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For S.R. Batliboi & Associates LLP
ICAI Firm registration no.: 101049W
Chartered Accountants

Nilangshu Katriar
Per Nilangshu Katriar
Partner
Membership No. 58814



Place: Gurgaon
Date: October 21, 2013

CERTIFIED TRUE COPY

For BHARTI AIRTEL LIMITED



W. Chopra
Ajendra Chopra
By: Company Secretary



SCHEME OF AMALGAMATION

UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

OF

Airtel Broadband Services Private Limited ...

Transferor Company

WITH

Bharti Airtel Limited ...

Transferee Company

PART I – GENERAL

- A. Airtel Broadband Services Private Limited (formerly known as Wireless Business Services Private Limited) is a private limited company incorporated under the Companies Act, 1956 with its registered office at Unit No. 1102, Platina Building, G Block 11th Floor, Plot No. C-59, Bandra Kurla Complex, Bandra East, Mumbai 400051 ("**Transferor Company**"). The Transferor Company is primarily engaged in the business of providing internet and broadband services. The name of the Transferor Company has been changed to Airtel Broadband Services Private Limited (from its earlier name of Wireless Business Services Private Limited) with effect from 21st October 2013 (vide Fresh Certificate of Incorporation Consequent upon Change of Name, dated 21st October 2013, issued by the Registrar of Companies, Maharashtra, Mumbai).
- B. Bharti Airtel Limited is a public limited company incorporated under the Companies Act, 1956 with its registered office at Bharti Crescent, 1 Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070 ("**Transferee Company**"). The Transferee Company is primarily engaged in the business of providing telecommunications related services. The equity shares of the Transferee Company are listed on the BSE Limited and the National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**").
- C. The Transferor Company is the wholly owned subsidiary of the Transferee Company.
- D. Since the Transferee Company and the Transferor Company are engaged in substantially similar businesses and the Transferor Company is the wholly owned subsidiary of the Transferee Company, in the interest of enhancing shareholder value of both the companies and achieving synergetic and operational efficiencies and economies of scale resulting from commonality of business activities, the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company have considered and proposed the amalgamation of the Transferor Company with the Transferee Company.
- E. Accordingly, this Scheme (as hereinafter defined) provides for the amalgamation of the Transferor Company with the Transferee Company and the consequent cancellation of equity shares held by the Transferee Company in the Transferor Company pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 ("**Act**"), and various other



matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme.

- F. The amalgamation of the Transferor Company with the Transferee Company pursuant to this Scheme shall take place with effect from the Appointed Date (as hereinafter defined) and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961.
- G. This Scheme is divided into the following parts:
- (a) **Part I**, which deals with the introduction and definitions, and sets out the share capital of the Transferor Company and the Transferee Company;
 - (b) **Part II**, which deals with the amalgamation of the Transferor Company with the Transferee Company; and
 - (c) **Part III**, which deals with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme.

1. **DEFINITIONS AND INTERPRETATION**

- (a) In the Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

"Act" means the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force;

"Appointed Date" shall be the same as Effective Date, or such other date as may be determined by the Board of Directors of the Transferor Company and Transferee Company;

"Board of Directors" or **"Board"** in relation to the Transferor Company and the Transferee Company, 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 amalgamation, the Scheme and/or any other matter relating thereto;

"Effective Date" means the last of the dates on which all the conditions and matters referred to in Clause 17 of the Scheme occur or have been fulfilled or waived in accordance with this Scheme. References in this Scheme to date of 'coming into effect of the Scheme' or 'effectiveness of the Scheme' shall mean the Effective Date;

"Employees" means all the permanent employees of the Transferor Company, as on 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 Authority" means any applicable, central, state or local government, legislative body, regulatory or administrative authority, agency, department or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body in India;

"High Courts" means the High Court of Judicature at Bombay having jurisdiction in relation to the Transferor Company and the High Court of Delhi having jurisdiction in relation to the



Transferee Company and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court under the Act;

"Liabilities" shall have the meaning assigned to it in Clause 6(a) hereof;

"Registrar of Companies" means the Registrar of Companies;

"Scheme" means this scheme of amalgamation, as amended or modified in accordance with the provisions hereof;

"SEBI" means Securities and Exchange Board of India;

"SEBI Scheme Circular" shall have the meaning assigned to it in Clause 17(a) hereof;

"Transferee Company" shall have the meaning assigned to it in Recital B of **Part I** hereof;

"Transferor Company" shall have the meaning assigned to it in Recital A of **Part I** hereof;

"Undertaking" means all the undertakings and entire business of the Transferor Company as a going concern, including, without limitation:

- (i) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company, whether situated in India or abroad, including, without limitation, Licence for provision of Internet Services, BWA Spectrum, office equipment, computers, appliances, accessories, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, share of any joint assets, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company, whether in India or abroad;
- (ii) all permits, quotas, rights, entitlements, industrial and other licences, Licence for provision of Internet Services, BWA Spectrum, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, all other rights including sales tax deferrals and exemptions and other benefits, receivables and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever;



provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company;

- (iii) all earnest moneys and/or security deposits paid or deemed to have been paid by the Transferor Company;
 - (iv) all debts, borrowings, obligations, duties and liabilities, both present and future (including deferred tax liabilities, contingent liabilities and the Liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Indian rupees or foreign currency, whether provided for or not in the books of account or disclosed in the balance sheet of the Transferor Company;
 - (v) all Employees engaged by the Transferor Company, if any; and
 - (vi) all intellectual property rights, trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company.
- (b) All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
- (c) References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.
- (d) The headings herein shall not affect the construction of this Scheme.
- (e) The singular shall include the plural and vice versa; and references to one gender include all genders.
- (f) Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- (g) References to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).

2. SHARE CAPITAL

(a) Transferor Company

The share capital structure of the Transferor Company as on *September 27, 2013* is as under:



A. Authorised Share Capital	Amount in Rs.
6,000,000,000 equity shares of Rs. 10/- per share	60,000,000,000/-
Total	60,000,000,000/-
B. Issued and Subscribed Share Capital	Amount in Rs.
5,667,137,909 equity shares of Rs. 10/- per share	56,671,379,090
Total	56,671,379,090
C. Paid-up Share Capital	Amount in Rs.
5,667,137,909 equity shares of Rs. 10/- per share fully paid up	5,667,137,909 -
Total	5,667,137,909

(b) Transferee Company

The share capital structure of the Transferee Company as on September 27, 2013 is as under:

A. Authorised Share Capital	Amount in Rs.
5,000,000,000 equity shares of Rs. 5/- per share	25,000,000,000/-
Total	25,000,000,000/-
B. Issued and Subscribed Share Capital	Amount in Rs.
3,997,400,102 equity shares of Rs. 5/- per share	19,987,000,510/
Total	19,987,000,510/-
C. Paid-up Share Capital	Amount in Rs.
3,997,400,102 equity shares of Rs. 5/- per share fully paid up	19,987,000,510/-
Total	19,987,000,510/-

PART II – AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY

Transfer

3. Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Undertaking shall, pursuant to the sanction of the Scheme by the relevant High Court and pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act, 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 going concern without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.
4. Transfer of Assets
 - (a) Without prejudice to the generality of Clause 3 above, upon the coming into effect of the Scheme and with effect from the Appointed Date, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances comprised in the

Undertaking of whatsoever nature and where so ever situate shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions of applicable law, if any, without any further act or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as and from the Appointed Date, the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company.

- (b) Without prejudice to the provisions of sub-Clause 4(a) above, in respect of such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery, the same shall stand so transferred by the Transferor Company upon the coming into effect of the Scheme, and shall, become the assets and property of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act, without requiring any deed or instrument of conveyance for transfer of the same.
- (c) In respect of such of the assets and properties belonging to the Transferor Company (other than those referred to in sub-Clause 4 (b) above) including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall stand transferred to and vested in the Transferee Company and/or deemed to have been transferred to and vested in the Transferee Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act.
- (d) All assets, rights, title, interest, investments and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets, rights, title, interest, investments and properties, which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets, rights, title, interest, investments and properties of the Transferee Company, and shall under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act.
- (e) All the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, including income tax benefits and exemptions, shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in and/or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.



5. Contracts, Deeds etc.

- (a) Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, 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 obligee thereto or thereunder.
- (b) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- (c) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of the Scheme and with effect from the Appointed Date, all consents, permissions, licences, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

6. Transfer of Liabilities

- (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date all debts and liabilities of the Transferor Company including all secured and unsecured debts (in whatsoever currency), liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations along with any charge, encumbrance, lien or security thereon (herein referred to as the "Liabilities") shall, pursuant to the sanction of this Scheme by the High Courts and under the provisions of Sections 391 to 394 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company, to the extent they are outstanding on the Effective Date so as to 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 shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause 6.



- (b) All debts, liabilities, duties and obligations of the Transferor Company shall, as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts and loans raised and used, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date shall be deemed to be and shall become the debts, loans raised and used, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.
- (c) Where any such debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged by such Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.
- (d) All loans raised and utilised and all liabilities, duties and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date and 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 to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 391 to 394 of the Act, without any further act, instrument or deed be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- (e) Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.

7. Encumbrances

- (a) The transfer and vesting of the assets comprised in the Undertaking to the Transferee Company under Clause 3 and Clause 4 of this Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.
- (b) All Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secure or relate to the Liabilities shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company. Provided that if any of the assets of the Transferor Company have not been Encumbered in respect of the Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- (c) The existing Encumbrances over the other assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of the Scheme.



- (d) Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and their respective assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of the Scheme. Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- (e) Upon the coming into effect of the Scheme, the Transferee Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of the Scheme.
- (f) It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Transferee Company is modified by virtue of the Scheme except to the extent that such amendment is required statutorily or by necessary implication.
- (g) The provisions of this Clause 7 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

8. Employees

- (a) Upon the coming into effect of this Scheme, all Employees of the Transferor Company, if any, shall, become the employees of the Transferee Company, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the amalgamation of the Transferor Company with the Transferee Company. For the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such Employees, if any, with the Transferor Company and such benefits to which the Employees are entitled in the Transferor Company shall also be taken into account, and paid (as and when payable) by the Transferee Company.
- (b) It is clarified that save as expressly provided for in this Scheme, the Employees who become the employees of the Transferee Company by virtue of this Scheme, if any, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the other employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the other employees of the Transferee Company), unless otherwise determined by the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into or deemed to have been entered into by the Transferor Company with any union/employee of the Transferor Company.
- (c) Insofar as the provident fund, gratuity fund and superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by the Transferor Company for the Employees, if any, or to which the Transferor Company is contributing for the benefit of the Employees, if any (collectively referred to as the "Funds") are concerned, all the contributions made to such Funds for the benefit of the Employees and the investments made by the Funds in relation to the Employees, if any shall be transferred to the Transferee Company and shall be held for the benefit of the concerned Employees. In the event the Transferee Company has its own funds in respect of any of the Funds referred to above, such



contributions and investments shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, be transferred to the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own funds in respect of any of the above or if deemed appropriate by the Transferee Company, the Transferee Company may, subject to necessary approvals and permissions, maintain the existing funds separately and contribute thereto until such time that the Transferee Company creates its own funds, at which time the Funds and the investments and contributions pertaining to the Employees shall be transferred to the funds created by the Transferee Company.

- (d) In relation to those Employees, if any, for whom the Transferor Company is making contributions to the government provident fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees,

9. Legal, Taxation and other Proceedings

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 tribunal) by or against the Transferor Company, whether pending and/or arising on or before the Effective Date shall be continued and/ or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Transferee Company.

10. Without prejudice to the provisions of Clauses 3 to 9, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date.

Conduct of Business

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

- (a) the Transferor 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 Transferee Company;
- (b) all profits and income accruing or arising to the Transferor Company, and losses and expenditure arising or incurred by them (including taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case may be, of the Transferee Company;
- (c) any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company; and



- (d) all taxes (including, without limitation, income tax, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, income tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferor Company with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.
12. Subject to the terms of the Scheme, the transfer and vesting of the Transferor Company as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

Cancellation of shares held in the Transferor Company

13. The provisions of Clauses 13 and 14 of the Scheme shall operate notwithstanding anything to the contrary in this Scheme or in any other instrument, deed or writing.
14. Upon the Scheme coming into effect, all the equity shares of the Transferor Company held by the Transferee Company (either directly or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued or payment made in cash whatsoever by the Transferee Company in lieu of the cancellation of such shares of the Transferor Company.

PART III – DISSOLUTION OF TRANSFEROR COMPANIES AND OTHER GENERAL TERMS AND CONDITIONS

15. **Accounting Treatment**

- (a) Upon the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books of accounts as under:
- (i) The accounting shall be on the basis of 'pooling of interests' method as stated in Accounting Standard 14: 'Accounting for Amalgamations' issued by the Central Government under section 211(3C) of the Act;
- (ii) The Transferee Company shall record the assets and liabilities of the Transferor Company pursuant to this Scheme at their respective book values as appearing in the books of the Transferor Company;
- (iii) All the reserves of the Transferor Company shall be recorded in the books of the Transferee Company in the same form in which they appeared in the books of the Transferor Company. The difference between the share capital of the Transferor Company and the carrying value of investment of the Transferee Company in the equity shares of the Transferor Company, shall be adjusted in the reserves of the Transferee Company;



- (iv) In case of any difference in accounting policy between the Transferor Company and the Transferee Company, a uniform set of accounting policies shall be adopted following the amalgamation. The effect on the financial statements of any changes in accounting policies should be reported in accordance with Accounting Standard (AS) 5 Net Profit or loss for the Period, Prior Period Items and Changes in Accounting Policies.
- (b) Upon coming into effect of this Scheme, to the extent that there are inter company loans, advances, deposits, balances or other obligations as between the Transferor Company and the Transferee Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.

16. Tax Treatment

- (a) Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/or indirect taxes, payable by or on behalf of the Transferor Company from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with any Governmental Authority and including the right to claim credit for minimum alternate tax and carry forward of accumulated losses, and unutilized CENVAT credit, VAT credit etc shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims, accumulated losses and unutilized CENVAT credits, VAT credit etc of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns, wealth tax returns, sales tax returns, excise and CENVAT returns, service tax returns, other statutory returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme;
- (b) The Transferee Company shall also be permitted to claim refunds / credits in respect of any transaction between the Transferor Company and the Transferee Company. Without prejudice to the generality of Clause 16(a) above, upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns and related withholding tax certificates, including withholding tax certificates relating to transactions between the Transferor Company and the Transferee Company, and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme;
- (c) The withholding tax/advance tax/minimum alternate tax, if any, paid by the Transferor Company under the Income Tax Act, 1961 or any other statute in respect of income of the Transferor Company assessable for the period commencing from Appointed Date shall be deemed to be the tax deducted from/advance tax paid by the Transferee Company and credit for such withholding tax/advance tax/minimum alternate tax shall be allowed to the Transferee Company notwithstanding that certificates or challans for withholding tax/advance tax are in the name of the Transferor Company and not in the name of the Transferee Company; and
- (d) The service tax (if any) paid by the Transferor Company under the Finance Act, 1994 in respect of services provided by the Transferor Company for the period commencing from the Appointed Date shall be deemed to be the service tax paid by the Transferee Company and credit for such service tax shall be allowed to the Transferee Company notwithstanding that



challans for service tax payments are in the name of the Transferor Company and not in the name of the Transferee Company.

17. Conditions Precedent

- (a) The Scheme is conditional upon and subject to:
- (i) the Scheme being agreed to (in the manner prescribed) by the respective requisite majorities of the various classes of shareholders and/or creditors of the Transferor Company and the Transferee Company as required under the Act and/ or the SEBI Circular CIR/ CFD/ DIL/ 5/ 2013 dated February 4, 2013, as amended by the SEBI Circular CIR/ CFD/ DIL/ 8/ 2013 dated May 21, 2013 (the "SEBI Scheme Circular"), as applicable and the requisite orders of the High Courts being obtained;
 - (ii) pre-filing and post-sanction approval of the Stock Exchanges and the SEBI in terms of the SEBI Scheme Circular being obtained, if applicable;
 - (iii) such other approvals and sanctions as may be required by applicable law in respect of this Scheme being obtained; and
 - (iv) the certified copies of the court orders referred to in this Scheme being filed with the Registrar of Companies, Mumbai and New Delhi.
- (b) On the approval of the Scheme by the shareholders of the Transferor Company and the Transferee Company, if required, in accordance with Section 391(1) of the Act, the shareholders of these companies shall be deemed to have also resolved and accorded all relevant consents under the Act to the same extent the same may be considered applicable in relation to the amalgamation set out in this Scheme and related matters.
- (c) In the event of this Scheme failing to take effect by 1st April 2017 or such later date as may be agreed by the respective Boards of Directors of the Transferor Company and the Transferee Company, this Scheme shall stand revoked, cancelled and be of no effect and become null and void, and in that event, no rights and liabilities shall accrue to or be incurred inter se between the parties or their shareholders or creditors or employees or any other person. In such case, the Transferor Company and the Transferee Company shall bear its own costs and expenses or as may be otherwise mutually agreed.

18. Dissolution of the Transferor Company

Upon the coming into effect of the Scheme, the Transferor Company shall stand dissolved without winding-up without any further act or deed.

19. Dividends

- (a) The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.
- (b) The holders of the shares of the Transferor Company and the Transferee 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.



- (c) 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 shareholder of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and the Transferee Company respectively, and subject to the approval, if required, of the shareholders of the Transferor Company and the Transferee Company respectively.

20. Applications

The Transferor Company and the Transferee Company shall make necessary applications before the relevant High Court, as applicable for the sanction of this Scheme under Sections 391 and 394 of the Act.

21. Resolutions

Upon the coming into effect of the Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as 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 shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

22. Modifications to the Scheme

- (a) The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors), may, in their full and absolute discretion, assent to any alteration or modification to this Scheme which the respective Boards of Directors of the Transferor Company or the Board of Directors of the Transferee Company, as the case may be, deem fit, or which the courts and/or any other Governmental Authority may deem fit to approve or impose.
- (b) The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors), may give such directions as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation hereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent security holders of the respective companies), or to review the position relating to the satisfaction of various conditions to the Scheme and if necessary, to waive any of those (to the extent permissible under law).
- (c) The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors) may withdraw this Scheme prior to the Effective Date in any manner at any time.
- (d) The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors) may in any manner at any time, determine jointly whether any asset, liability, employee, legal or other proceedings pertains to the Transferor Company or not, on the basis of any evidence that they may deem relevant for this purpose.



23. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to carry on the business of the Transferor Company.

24. Severability

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

25. The Transferee Company shall be entitled to file/revise its income tax returns, TDS certificates, TDS returns, wealth tax returns and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, credit of tax under Section 115JB of the Income Tax Act, 1961, credit of tax deducted at source, credit of foreign taxes paid/ withheld etc, if any, as may be required consequent to implementation of this Scheme.

26. Costs

Subject to the provisions of the Scheme, all costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of /payable by the Transferor Company and the Transferee Company in relation to or in connection with the Scheme and incidental to the completion of the amalgamation of the Transferor Company with the Transferee Company in pursuance of the Scheme shall be borne and paid by the Transferee Company.

