

SYNOPSIS OF THE SCHEME

OBJECTS AND REASONS:

- i. The Transferor Company is a well established engineering, procurement and construction (EPC) contracting company with its focus primarily on the Indian power sector. The Transferor Company provides engineering, procurement and construction services for Fuel Oil Storage and Handling Systems, Comprehensive Piping systems including Power Cycle Piping, Process Plant installation, Fire Protection Systems, Extra High Voltage (EHV) Switchyards, EHV Sub Stations, Power Plant Cabling System, Plant Electrical Distribution System including Plant Earthing Systems and Lightning Protection System and Plant Illumination Systems and such like. The Transferor Company also possess specific domain knowledge that enables it to serve the Steel, Fertilizer, Metals and Petrochemicals sectors along with specialized jobs in diversified manufacturing. The Transferor Company has also forayed into providing transmission network solutions on the Build, Own, Operate and Transfer (BOOT) and Build, Own, Operate and Maintain (BOOM) segment of such business through two of its associates. The Transferor Company also has substantial interests in the business of generating power from wind mills through the Transferee Company as mentioned hereinafter.
- ii. The Transferee Company is engaged in the business of acquiring and commissioning wind mills. Recognising the potential existing in such business, the Transferor Company acquired the entire Share Capital of the Transferee Company from its promoters and the Transferee Company is accordingly a wholly owned (100%) subsidiary of the Transferor Company. At present, the Transferee Company has a total of 79 wind mills with an aggregate rated power generating capacity of 129.90 MW at various locations in the States of Tamil Nadu and Karnataka. Such business of generating power from wind mills has good potential for further growth and developments as it represents an environment friendly alternative to thermal and nuclear power. The other businesses of the Transferee Company also have good potential for growth and development. In view, inter alia, of the same, there are plans for expansion in all the business segments for which significant funds are required to be raised in the coming years.
- iii. The undertakings and business of the Transferor Company and the Transferee Company can be combined, held and pursued in one entity more conveniently and advantageously with better capacity for fund raising, growth and expansion. Further, the Transferee Company is a project ownership company which has invested substantial amount in its capital assets. In the new projects being undertaken and proposed to be undertaken in the business of the Transferor Company, such assets will enable the said business to fulfill

more effectively the pre-qualification criteria for bidding for such new projects. Amalgamation of the two companies is proposed accordingly. The operating units of the Transferee Company are however situated at various locations and are also more numerous as compared to those of the Transferor Company, as aforesaid. Further, the Transferor Company does not have any permanent operating facility in its EPC business in any one location, as the nature of such business is such that it is primarily carried on by providing on-site services at various customer locations. In view, inter alia, of the same and nature of the respective undertakings and assets of the said companies, as aforesaid, operationally it is considered more convenient to amalgamate the Transferor Company with the Transferee Company than vice-versa.

- iv. In the circumstances it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company with the resulting amalgamated entity adopting and succeeding to the more established name and goodwill of the Transferor Company in the manner and on the terms and conditions stated in this Scheme of Amalgamation.
- v. The amalgamation will enable appropriate consolidation and integration of the operations and activities of the Transferor Company and the Transferee Company and result in the formation of a larger and more broad based company having greater capacity to raise and access funds for growth and expansion of its business, marketing and selling its products and services and conducting trade on more favourable terms.
- vi. The business of the amalgamated entity will be carried on more efficiently and economically as a result, inter alia, of pooling and more effective utilisation of the combined resources of the said companies and substantial reduction in costs and expenses which will be facilitated by and follow the amalgamation. As such the amalgamation of the Transferor Company with the Transferee Company will enable greater realisation of the potential of the business of the Transferor Company and the Transferee Company in the merged entity and have beneficial results for the said Companies, their shareholders and all concerned.

TRANSFER OF UNDERTAKING:

- i. With effect from the Appointed Date (i.e. 1st April, 2017), the Transferor Company shall stand amalgamated with the Transferee Company, as provided in the Scheme. Accordingly, the Undertaking of the Transferor Company shall, pursuant to the provisions contained in Section 232 and other applicable provisions of the Act and subject to the provisions of the Scheme in relation to the mode and manner of vesting, stand transferred

to and vest in or be deemed to be transferred to and vested in the Transferee Company, as a going concern without any further act, deed, matter or thing (save as provided in Clause ii below) so as to become on and from the Appointed Date, the Undertaking of the Transferee Company.

- ii. It is expressly provided that in respect of the assets of the Transferor Company as are movable in nature or otherwise capable of being transferred by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company and shall become the property of the Transferee Company accordingly without requiring any deed or instrument of conveyance for the same.
- iii. In respect of the assets of the Transferor Company other than those referred to in Clause ii above, the same shall, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company pursuant to an order passed under the provisions of Section 232 of the Act.
- iv. All debts, liabilities, duties and obligations of the Transferor Company shall be transferred to the Transferee Company, without any further act or deed, pursuant to the provisions of Section 232 of the Act, so as to become the debts, liabilities, duties and obligations of the Transferee Company.
- v. The transfer of the Undertaking of the Transferor Company, as aforesaid, shall be subject to the existing charges, if any, over or in respect of any of the assets or any part thereof, provided however that such charges shall be confined only to the relative assets of the Transferor Company or part thereof on or over which they are subsisting on transfer of such assets to the Transferee Company and no such charges shall extend over or apply to any other asset(s) of the Transferee Company. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to any assets of the Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Transferee Company. Similarly, the Transferee Company shall not be required to create any additional security over assets acquired by it under this Scheme for any loans, debentures, deposits or other financial assistance already availed/to be availed by it and the charges in respect of such indebtedness of the Transferee Company shall not extend or be deemed to extend or apply to the assets so acquired by the Transferee Company.
- vi. Subject to the other provisions of this Scheme, all licenses, permissions, approvals, consents, registrations, eligibility certificates, fiscal incentives and no-objection

certificates obtained by the Transferor Company for their operations and/or to which the Transferor Company is entitled to in terms of the various Statutes and / or Schemes of Union and State Governments, shall be available to the Transferee Company, without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company. Since the Undertaking of the Transferor Company will be transferred to the Transferee Company as a going concern without any break or interruption in the operations thereof, the Transferee Company shall be entitled to the benefit of all such licenses, permissions, approvals, consents, registrations, eligibility certificates, fiscal incentives and no-objection certificates and to carry on and continue the operations of the Undertaking of the Transferor Company on the basis of the same upon this Scheme becoming effective. Further, all benefits to which the Transferor Company is entitled in terms of the various Statutes and / or Schemes of Union and State Governments, including credit for MAT, Advance tax and tax deducted at source and other benefits under Income Tax Act, tax credits and benefits relating to Excise (including Modvat/Cenvat), Sales Tax, Service Tax, Goods and Services Tax subsidies, grants etcetera shall be available to the Transferee Company upon this Scheme becoming effective.

- vii. Taxes, if any, paid or payable by the Transferor Company on or after the Appointed Date shall be treated as paid or payable by the Transferee Company and the Transferee Company shall be entitled to claim the credit, refund or adjustment for the same as may be applicable. Upon the Scheme becoming effective, the Transferor Company and / or the Transferee Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Tax laws and to claim refunds and/ or credit for taxes paid and for matters incidental thereto, as may be required to give effect to the various provisions of this Scheme.
- viii. For the removal of doubts, it is clarified that to the extent that there are inter-company loans, deposits, obligations, balances or other outstanding as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such 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.

DISSOLUTION OF THE TRANSFEROR COMPANY:

The Transferor Company shall be dissolved without winding up pursuant to the provisions of Section 232 of the Act.

ISSUE OF EQUITY SHARES

- i. Upon the Scheme coming into effect, and without any further application, act or deed, the Transferee Company shall, in consideration of the amalgamation, issue and allot to the members of the Transferor Company holding fully paid-up Equity Shares in the Transferor Company and whose names appear in the Register of Members of the Transferor Company on such date ("**Record Date**"), as the Board of Directors of the Transferee Company shall determine, Equity Shares of the face value of Rs.2/- each in the Transferee Company, credited as fully paid up with rights attached thereto as hereinafter mentioned (hereinafter referred to as the "**New Equity Shares**") in the following ratio:

1 (One) New Equity Share of Rs.2/- each in the Transferee Company credited as fully paid up for every 1 (One) Equity Share of Rs.2/- each fully paid-up held by them in the capital of the Transferor Company.
- ii. The New Equity Shares of the Transferee Company to be issued and allotted in lieu of the Equity Shares of the Transferor Company shall rank *pari passu* in all respects with the existing Equity Shares of the Transferee Company. Further such new Equity Shares shall pursuant to the Securities Exchange Board of India ("**SEBI**") Circular CFD/DIL3/CIR/2017/21 dated 10th March, 2017 ("**SEBI Circular**"), and subject to compliance with requisite formalities, be listed and/or admitted to trading on the relevant stock exchange(s) where the existing Shares of the Transferor Company are listed and/or admitted to trading.
- iii. In respect of the shareholding of the members of the Transferor Company held in dematerialised form, the Equity Shares in the Transferee Company shall, subject to applicable regulations, also be issued to them in the dematerialised form pursuant to clause i above with such shares being credited to the existing depository accounts of the members of the Transferor Company entitled thereto, as per records maintained by the National Securities Depository Limited and / or Central Depository Services (India) Limited on the Record Date. In respect of the shareholding of the members in the Transferor Company held in the certificate form, the Equity Shares in the Transferee Company shall

be issued to such members in certificate form. Members of the Transferor Company desirous of receiving the new shares in the Transferee Company in dematerialised form should have their shareholding in the Transferor Company dematerialised on or before the Record Date.

- iv. The New Equity Shares of the Transferee Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
- v. Apart from cancellation of existing shares of the Transferee Company as provided in the Scheme, there shall be no change in the shareholding pattern or control in the Transferee Company between the Record Date and the listing which may affect the status of the approval of the Stock Exchanges to this Scheme.
