

Annexure -B .

For Gammon India Limited

  
Director / Authorised Signatory

**SCHEME OF ARRANGEMENT**

**BETWEEN**

**GAMMON INDIA LIMITED ('GIL' or 'Transferor Company')**

**AND**

**GAMMON TRANSMISSION LIMITED ('GTL' or 'Transferee Company')**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**(Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013)**

**("the Scheme")**

---

**(A) PREAMBLE**

This Scheme of Arrangement is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the transfer of the Civil EPC Undertaking (*defined hereinafter*) of Gammon India Limited ('GIL' or 'Transferor Company'), a company incorporated under the Companies Act, 1913 with registered office at Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai 400 025 and engaged in, *inter alia*, the business of civil engineering, design and construction in cooling towers, chimneys, buildings, roads etc. into Gammon Transmission Limited ('GTL'), a company incorporated under the Companies Act, 1956 and which is 100% legally and beneficially held by GIL with registered office at 501 A,B,C,E Fortune 2000, Block G, Bandra Kurla Complex, Mumbai - 400051 .

The Board of Directors of GIL and GTL have approved two Business Transfer Agreements ('BTAs') for transfer of some of the undertakings of the Civil EPC business, defined therein as the Identified Business ("BTA Undertaking") to GTL. Pursuant to this Scheme GIL proposes to transfer the Transferred Undertaking to GTL as part of the effort to further the Civil EPC business of GTL.

This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

**(B) DESCRIPTION OF THE SCHEME**

In furtherance of the understanding between GIL and GTL, this Scheme, *inter alia*, deals with the transfer of the Civil EPC Undertaking from GIL to GTL (more particularly described in Part II of this Scheme) and various other matters consequential to or otherwise integrally connected with the above, pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 in the manner provided for in this Scheme.

**(C) RATIONALE FOR THE SCHEME**

1. Transfer of the Civil EPC Undertaking by GIL to GTL would help in achieving the desired operating structure and shall *inter alia* have the following benefits:
  - i. To enable investment by strategic investor; and
  - ii. Deleverage the balance sheet of GIL.

**(D) PARTS OF THE SCHEME:**

This Scheme is divided into the following parts:

- (i) **PART I** deals with the definitions and share capital;

- (ii) **PART II** deals with Slump Exchange of Civil EPC Undertaking into GTL;
- (iii) **PART III** deals with general terms and conditions and other miscellaneous provisions applicable to this Scheme.

## **PART I**

### **DEFINITIONS AND SHARE CAPITAL**

#### **1. DEFINITIONS**

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 **“Act” or “the Act”** means the Companies Act, 2013 (to the extent applicable), or any statutory modification or re-enactment thereof for the time being in force;
- 1.2 **“Applicable Law”** means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and/or jurisdiction, (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or governmental approvals of, or agreements with, any governmental authority or recognized stock exchange, and (c) international treaties, conventions and protocols, as may be in force from time to time;
- 1.3 **“Appointed Date”** means 1<sup>st</sup> October, 2017 or such other date as may be fixed or approved by the National Company Law Tribunal;
- 1.4 **“Civil EPC Business”** means Civil Engineering, Procurement and Construction business carried on by the Transferor Company in Cooling towers, chimneys,

industrial and residential buildings, roads, tunnels, dams etc. in relation to contracts included in Schedule I.

1.5 **“Civil EPC Undertaking”** means the Transferred Undertaking as a going concern, with all contracts, agreements, licenses, engagements, financial instruments, commitments, other contractual arrangements and warranties comprised in and/ or pertaining to the Transferred Undertaking as on the Appointed Date, including:

(i) all properties and assets, movable and freehold and leasehold immovable, real and personal, tangible and intangible, corporeal and incorporeal, in possession, or in reversion, present and contingent of whatsoever nature, wheresoever situated as on the Appointed Date relating to the Transferred Undertaking, leases, tenancies and agencies of the Transferor Company relating to the Transferred Undertaking, plant and machineries, electrical installations, vehicles, equipments, furnitures, investments, sundry debtors, inventories, other current assets, cash and bank balances, bills of exchange, deposits, loans and advances(including recoverable from identified subsidiaries), and other assets as appearing in the books of account of the Transferor Company in relation to the Transferred Undertaking;

(ii) all other interests or rights (including claims, arbitration awards, etc.) or accumulated experience and performance qualifications, including financial, technical and other qualifications, in or arising out of or relating to the Civil EPC Business together with all respective powers, interests, charges, privileges, benefits, entitlements, building plans, drawings (including approvals obtained for such drawings or any pending applications made for

approvals), industrial and other registrations, licenses, quotas, brands and trademarks, patents, copyrights, other intellectual property rights, liberties, easements and advantages, subsidies, grants, taxes, tax credits/ incentives (including but not limited to credits/ incentives in respect of sales tax, value added tax, turnover tax, excise duty, service tax etc.), tax holiday benefits and other benefits appertaining to the Transferred Undertaking and/or to which the Transferor Company is entitled to in respect of the Transferred Undertaking of whatsoever kind, nature or description held, applied for or as may be obtained thereafter together with the benefit of all respective contracts, sub-contracting agreements, if any, entered into with the GTL and engagements relating to the Transferred Undertaking;

- (iii) powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, facsimile connections and installations, utilities, electricity, water and other services, and all other interests in connection with or relating to the Transferred Undertaking;
- (iv) all debts, liabilities, duties, funded and non-funded facilities, bank guarantees, letters of credit and obligations of the Transferor Company in relation to the Transferred Undertaking including loans / borrowings secured on investment in identified subsidiaries being transferred and further including liabilities (including those arising in future) on account of loans, sundry creditors, sales tax, bonus, gratuity and other taxation and contingent liabilities of the Transferor Company pertaining to or relatable to the Transferred Undertaking;

- (v) all employees of the Transferor Company engaged in or in relation to the Transferred Undertaking, on the date immediately preceding the Effective Date; and
- (vi) all books, records, files, papers, computer software alongwith their licenses, manuals and backup copies, drawings, data catalogues, and other data and records, whether in physical or electronic form, directly or indirectly in connection with or relating to the Transferred Undertaking.

Provided that the Transferor Company will have the right to access the books, records, files, papers, computer software alongwith their licenses, manuals and backup copies, drawings, data catalogues, and other data and records pertaining to the Civil EPC Undertaking in case required in any legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any statute, even after coming into effect of the Scheme and the Trasferee Company shall be obliged to provide such documents and other records to the Transferor Company.

1.6 **“Effective Date”** means the last of the dates on which all the conditions and matters referred to in Clause 17 of this Scheme occur or have been fulfilled or waived in accordance with this Scheme. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the “Effective Date”;

- 1.7 **“GIL” or “the Transferor Company”** means Gammon India Limited, a company incorporated under the Companies Act, 1913, and having its registered office at Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai 400 025
- 1.8 **“GTL” or “the Transferee Company”** means Gammon Transmission Limited, a company incorporated under the Companies Act, 1956, and having its registered office at – 501 A,B,C,E Fortune 2000, Block G, Bandra Kurla Complex, Mumbai - 400051
- 1.9 **“National Company Law Tribunal” or “NCLT”** means the National Company Law Tribunal having jurisdiction in relation to GIL and GTL i.e. NCLT at Mumbai
- 1.10 **“Remaining Business of GIL” or “Remaining Undertaking of GIL”** means all the undertakings, businesses, activities and operations of GIL, including the premises called ‘The Gammon House’ but excluding the Civil EPC Undertaking (as defined in Clause 1.5 above)
- 1.11 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Arrangement in its present form as submitted to the Honorable NCLT or this Scheme with such modification(s), if any made, as per Clause 16 of the Scheme;
- 1.12 **“Stock Exchanges”** means BSE Limited and The National Stock Exchange of India Limited;
- 1.13 **“Transferred Undertaking”** means the Civil EPC Business excluding the BTA Undertaking.

## **1A CONSTRUCTION**

- 1A.1 Any question that may arise as to whether a specified project or asset or liability

pertains or does not pertain to the Civil EPC Undertaking or whether it arises out of the activities or operations of the Civil EPC Undertaking shall be decided by mutual agreement between the Board of Directors of GIL and GTL.

1A.2 All terms and words 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, the Securities Contract Regulation Act, 1956, Securities and Exchange Board of India Act, 1992 (including the Regulations made thereunder), the Depositories Act, 1996, other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

## 2. SHARE CAPITAL

2.1 The authorized, issued, subscribed and paid-up share capital of GIL as on June 30, 2017 is as under:

Share Capital	Amount in Rs. Crores
<b>Authorized Share Capital</b>	
74,710,000,000 Equity Shares of Rs. 2 each	14,942.00
3,000,000 6% Optionally Convertible Preference Shares of Rs. 350/- each	105.00
<b>Total</b>	<b>15,047.00</b>
<b>Issued Share Capital *</b>	
37,04,27,845 Equity Shares of Rs. 2 each, fully paid up	74.09

Share Capital	Amount in Rs. Crores
<b>Total</b>	<b>74.09</b>
<b>Subscribed and Fully Paid up Capital</b>	
36,88,47,305 Equity Shares of Rs. 2 each, fully paid up	73.77
<b>Share Forfeiture Account</b>	
Money received in respect of Right Shares of Rs.10/- each forfeited	0.34
<b>Total</b>	<b>74.11</b>

\*Issued Share Capital includes 7,25,800 shares of Rs. 2/- each kept in abeyance.

The shares of GIL are listed on Stock Exchanges.

- 2.2 The authorized, issued, subscribed and paid-up share capital of GTL as on March 31, 2017 is as under:-

Share Capital	Amount in Rs.
<b>Authorized Share Capital</b>	
50,000 Equity Shares of Rs.10/- each	5,00,000
<b>Total</b>	<b>5,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
50,000 Equity Shares of Rs.10/- each, fully paid-up	5,00,000
<b>Total</b>	<b>5,00,000</b>

The entire equity capital of GTL is held by GIL. Subsequent to March 31, 2017 and till the date of approval of the Scheme by the Board of GTL there has been no change in the authorized, issued, subscribed and paid up share capital of GTL.

**3. DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme as set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT shall be effective from the Appointed Date, but shall be operative from the Effective Date.

**PART II**

**SLUMP EXCHANGE OF CIVIL EPC UNDERTAKING INTO GTL**

**4. SLUMP EXCHANGE**

4.1 On and from the Effective Date the Civil EPC Undertaking shall be transferred to and vested in GTL as a going concern from the Appointed Date, as detailed in Clause 4.2 below against issue of shares specified in Clause 5 hereinafter.

**4.2 TRANSFER AND VESTING OF CIVIL EPC UNDERTAKING**

Upon the Scheme becoming effective, with effect from the Appointed Date, the Civil EPC Undertaking shall, in accordance with Sections 230 to 232 of the Act and all other applicable laws, if any, stand transferred to and vested in or be deemed to be transferred to and vested in GTL on a going concern basis and in the following manner:

4.2.1. all the assets of Civil EPC Undertaking, except for the portions specified in Clauses 4.2.2 and 4.2.3 below, of whatsoever nature and where so ever

situated and incapable of passing by manual delivery and/or endorsement or otherwise, shall, under the applicable provisions of Sections 230 and 232 and all other provisions, if any, of the Act, without any further act or deed be transferred to and vested in and/or deemed to be transferred to and vested in GTL.

4.2.2. all the moveable assets including cash in hand, if any, of Civil EPC Undertaking, capable of passing by manual delivery or by endorsement and delivery shall be so delivered or endorsed as the case may be to GTL. On such delivery or endorsement and delivery, the same shall become the property of GTL to the end and intent that the ownership and property therein passes to GTL on such handing over in pursuance of the provisions of Section 230 -232 of the Act.

4.2.3. in respect of the moveable properties of Civil EPC Undertaking other than specified in Clause 4.2.2 above and any intangible assets, including sundry debtors, loans receivable, advances, if any, recoverable in cash or kind or for value to be received, bank balances and deposits, if any, with the government, semi-government, local and other authorities and bodies, companies, firm, individuals, trusts, etc., GTL may itself or require GIL and GIL shall upon such requisition from GTL, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, give notices in such form as it may deem fit and proper, to each person, debtors or depositors, as the case may be, that pursuant to the NCLT having sanctioned the Scheme, the said debt, loan receivable,

advance or deposit be paid or made good or held on account of GTL as the person entitled thereto to the end and intent that the right of GIL to recover or realize all such debts (including the debts payable by such persons or depositors to GIL) stands transferred to and vested in GTL and that appropriate entries should be passed in their respective books to record the aforesaid change.

4.2.4. all debts, liabilities, duties, obligations of every kind, nature and description including all excise duty, custom duty, sales tax, value added tax, service tax and other government and semi government liabilities of Civil EPC Undertaking shall also, under the provisions of Sections 230 and 232 of the Act without any further act or deed be transferred to and assumed by or deemed to be transferred to and assumed by GTL so as to become as from the Appointed Date the debts, liabilities, duties, obligations of GTL. It is hereby confirmed that the debts, liabilities and obligations of GIL pertaining to the BTA Undertaking, have been transferred to GTL pursuant to the BTA.

4.2.5. The transfer and vesting of the Civil EPC Undertaking as aforesaid of GIL, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof.

Provided that in so far as the assets comprised in the Civil EPC Undertaking are concerned, the security and charge over such assets relating to any loans or liabilities pertaining to the Remaining Undertaking of GIL shall, without any further act or deed, be released from such encumbrance and shall no longer be available as security in relation to such loans or liabilities.

Provided further that in so far as the assets comprised in the Remaining Undertaking of GIL are concerned, the security over such assets relating to the loans, borrowings, debts and financial assistance pertaining to the Civil EPC Undertaking shall, without further act, instrument or deed, along with any guarantees, indemnities, or undertakings provided by GIL in relation to the Civil EPC Undertaking, be released and discharged from the obligations and security relating to the same. With effect from the Appointed Date and upon the Scheme becoming effective, GTL undertakes to meet, discharge and satisfy the loans, borrowings, debts and financial assistance pertaining to the Civil EPC Undertaking.

Provided also that the transfer and vesting of loans / liabilities shall continue to have encumbrances confined only to the relevant assets of the Civil EPC Undertaking or part thereof and no such encumbrances shall extend over or apply to any asset(s) of GTL. Similarly, GTL shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of /to be availed of by it, and the encumbrances in respect of such indebtedness of GTL shall not extend or be deemed to extend or apply to the assets so vested.

- 4.2.6. Without prejudice to the generality of the forgoing, it is clarified that upon the coming into effect of this Scheme, all permits, authorizations, licenses, consents, registrations, approvals, municipal permissions, industrial licenses, registrations, privileges, easements and advantages, facilities, rights, powers and interest (whether vested or contingent), of every kind and description of

whatsoever nature in relation to the Civil EPC Undertaking, to which GIL is a party to or to the benefit of which GIL may be eligible and which are subsisting or having effect immediately before the Appointed Date shall stand transferred to and vested in or shall be deemed to be transferred to and vested in GTL as if the same were originally given or issued to or executed in favour of GTL, and the rights and benefits under the same shall be available to GTL. Further, GIL shall execute such further deeds or documents as may be required to give effect to this Clause.

4.2.7. The work experience, qualifications, capabilities, logistics, turnover record and track record with National & International Companies, Central and State Government / Non-Government agencies / bodies, contracts with clients and with vendors (including technical parameters, past performance, track record, financials, etc.) of GIL acquired by reason of completion of various projects and works pertaining to the Civil EPC Undertaking and certificates of completion of projects and works pertaining to Civil EPC Undertaking issued by clients of GIL shall be deemed to be part of and belonging to GTL and shall for all purposes be regarded as the work experience, qualifications, capabilities, logistics, turnover record and track record (including technical parameters, past performance, track record, financials, etc.) and certificates of completion of GTL.

4.2.8. All cheques and other negotiable instruments, payment order, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of GIL (in relation to Civil EPC Undertaking) after the

Effective Date shall be accepted by the banker(s) of GTL and credited to the account of GTL, if presented by GTL or received through electronic transfers. Similarly, the banker(s) of GTL shall honour all cheques / electronic fund transfer instructions issued by GIL (in relation to Civil EPC Undertaking) for payment after the Effective Date. If required, the bankers of GIL and GTL shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of GIL by GTL in relation to the Civil EPC Undertaking for such time as may be determined to be necessary by GTL for presentation and deposition of cheques, pay order and electronic transfers that have been issued/made in the name of GTL.

4.2.9. Upon the Scheme becoming effective, GIL and GTL are expressly permitted to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, central sales tax, Goods and Services Tax Laws ('GST Laws), state value added tax, service tax laws, excise duty laws and other tax laws, and to claim refunds and/or credit for taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

4.2.10. Any tax liabilities under the service tax laws, excise duty laws, GST Laws, central sales tax, applicable state value added tax laws or other applicable laws/regulations dealing with taxes/duties/levies of Civil EPC Undertaking whether provided for or covered by tax provision in the accounts made as on

the date immediately preceding the Appointed Date or not shall be transferred to GTL.

4.2.11. Any refund / credit, under the service tax laws, excise duty laws, central sales tax, GST Laws, applicable state value added tax laws or other applicable laws/regulations in relation to the Civil EPC Undertaking arising consequent to the assessment made on GIL whether recorded in the accounts as on the date immediately preceding the Appointed Date or not shall belong to GTL upon this Scheme becoming effective.

4.2.12. Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation service tax, excise duty, central sales tax, GST Laws, applicable state value added tax etc.) to which Civil EPC Undertaking is entitled to in terms of applicable laws, shall be available to and vest in GTL, upon this Scheme coming into effect.

## **5. ISSUE OF SHARES**

- 5.1. Upon coming into effect of the Scheme, GTL shall issue and allot 740,000 (Seven lakh forty thousand only) fully paid up equity shares of Rs.10/- each to GIL.
- 5.2. Equity shares to be issued by GTL to GIL as above shall be subject to the Memorandum and Articles of Association of GTL and shall rank *pari passu* with the existing equity shares of GTL in all respects including dividends.
- 5.3. GTL shall to the extent required increase its authorized share capital to facilitate the issue of equity shares under this Scheme.

- 5.4. Approval of this Scheme by the shareholders of GTL shall be deemed to be the due compliance with the provisions of Section 42/62 of the Companies Act, 2013 and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by GTL to GIL, as provided in this Scheme.
- 5.5. The approval of this Scheme by the shareholders of both the companies under Sections 230 to Section 232 of the Act shall be deemed to have the approval under Sections 13, 14, 180 and 186 of Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.

## **6. ACCOUNTING TREATMENT IN THE BOOKS OF GIL AND GTL**

### **6.1. IN THE BOOKS OF THE TRANSFEROR COMPANY**

Upon the Scheme becoming effective, GIL

- 6.1.1. shall reduce the book value of assets and liabilities pertaining to the Civil EPC Undertaking as on the Appointed Date from its books of accounts;
- 6.1.2. shall record all the Equity Shares received pursuant to this Scheme in accordance with IND-AS 27 or IND-AS 109 as may be applicable;
- 6.1.3. the difference between the aggregate of the Equity Shares recorded as per 6.1.2 and the book value of liabilities of the Civil EPC Undertaking as per 6.1.1 as reduced by the book value of assets of the Civil EPC Undertaking as per 6.1.1, shall be recorded in accordance with the applicable Ind-AS.

### **6.2. IN THE BOOKS OF GTL**

Upon the Scheme becoming effective,

- 6.2.1. GTL shall record the Equity Shares issued by it to GIL pursuant to this Scheme in accordance with the applicable provisions of IND-AS 103;
- 6.2.2. GTL shall record all the assets and liabilities pertaining to the Civil EPC Undertaking being transferred and vested pursuant to the Scheme in accordance with the applicable provisions of IND-AS 103.
- 6.2.3. The difference, being the excess of value of the assets and liabilities pertaining to the Civil EPC Undertaking in terms of paragraph 6.2.2 above and the amount credited as per Clause 6.2.1, shall be recorded in accordance with the applicable provisions of IND-AS 103.

**7. FUND RAISING BY ISSUE OF SHARES / OTHER INSTRUMENTS BY GTL**

For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent GTL from issuing new equity shares and / or preference shares and / or any convertible / non-convertible instruments.

**PART III**

**GENERAL TERMS AND CONDITIONS**

**8. TRANSACTIONS UPTO THE EFFECTIVE DATE**

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

- (a) GIL shall carry on and be deemed to have carried on the business and activities in relation to the Civil EPC Undertaking and shall stand possessed of their properties and assets relating to the Civil EPC Undertaking for and in trust for GTL and all the profits / losses accruing on account of the Civil EPC Undertaking shall for all purposes be treated as profits / losses of GTL and all revenues and

costs accruing on account of the Civil EPC undertaking shall for all purposes be treated as revenues and costs of GTL.

- (b) All the debts, liabilities, duties, obligations, taxes etc. as aforesaid of the Civil EPC Undertaking incurred/contracted during the period commencing from the Appointed Date till the Effective Date shall be deemed to have been incurred/contracted by GTL and shall be deemed to be the debts, liabilities and obligations of GTL and further that it shall not be necessary to obtain consent of any person in order to give effect to the provisions of this clause.
- (c) GIL shall not without the prior written consent of the Board of Directors of GTL or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the undertaking relating to the Civil EPC Undertaking any part thereof except in the ordinary course of its business.
- (d) GIL shall not vary the terms and conditions of service of its permanent employees relating to the Civil EPC Undertaking except in the ordinary course of its business.
- (e) GTL shall be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, Union Territories and all other concerned agencies, departments and authorities (statutory or otherwise) as are necessary under any law for such consents, approvals and sanctions, which they may require to carry on the business of the respective Civil EPC Undertaking. Further, GIL shall extend all assistance to GTL, if requested by GTL, in obtaining the said consents, approvals and sanctions.

(f) Any payments made or benefits received by GIL in respect of the Civil EPC Undertaking shall be deemed to have been made or received, as the case may be, for and on behalf of GTL and GIL shall be entitled to recover such expenses from GTL or obligated to pass on the benefits to GTL. Similarly, any payments made or benefits received by GTL in respect of the Remaining Undertaking of GIL shall be deemed to have been made or received, as the case may be, for and on behalf of GIL and GTL shall be entitled to recover such expenses from GIL or obligated to pass on the benefits to GIL.

8.2 With effect from the date of approval of the Scheme by Board of Directors of GIL and GTL until the Effective Date, GIL shall preserve and carry on the business and activities of Civil EPC Undertaking with reasonable diligence and business prudence and GIL shall not, without the prior consultation with GTL, alienate, charge or otherwise deal with or dispose of the Civil EPC Undertaking or any part thereof or recruit any new employee (in each case except in the ordinary course of business) or employees; further, GIL shall not engage in any corporate restructuring exercise including any merger and/or demerger or substantial expansion of the Civil EPC Undertaking without prior written consent of GTL.

## **9. EMPLOYEES**

9.1 On the Scheme becoming effective, all employees of the Civil EPC Undertaking in service on the Effective Date, shall be deemed to have become employees of GTL respectively with effect from the Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with GTL shall not be less

favorable than those applicable to them with reference to the Civil EPC Undertaking on the Effective Date. Any question that may arise as to whether any employee belongs to or does not belong to the Civil EPC Undertaking shall be decided by Board of Directors of GIL.

- 9.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts created or existing for the benefit of the employees of the Civil EPC Undertaking shall be deemed to have been created by GTL in place of GIL for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of GIL in relation to such fund or funds shall become those of GTL. It is clarified that the services of the employees of the Civil EPC Undertaking will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

## **10. LEGAL PROCEEDINGS**

- 10.1 All legal proceedings of whatsoever nature by or against GIL pending and/or arising before the Effective Date and relating to the Civil EPC Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against GTL, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against GIL.

10.2 After the Appointed Date, if any proceedings are taken against GIL in respect of the matters referred to in the sub-clause 10.1 above, GIL shall defend the same in accordance with advise and instructions of GTL at the cost of the GTL, and GTL shall reimburse and indemnify GIL against all liabilities and obligations incurred by GIL in respect thereof.

10.3 GTL undertakes to have all legal or other proceedings initiated by or against GIL referred to in Clause 10.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against GTL as the case may be, to the exclusion of GIL and GIL shall extend all assistance in such transfer into the GTL's name, if required by the GTL.

## **11. CONTRACTS, DEEDS, ETC.**

11.1 Notwithstanding anything to the contrary contained in any contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Civil EPC Undertaking of GIL to which GIL is a party or to the benefit of which GIL may be eligible, shall continue in full force and effect against or in favour of GTL, and may be enforced effectively by or against GTL as fully and effectually as if, instead of GIL, GTL had been a party thereto from inception.

11.2 GTL may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which

GIL is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. GTL shall be deemed to be authorised to execute any such writings on behalf of GIL and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of GIL.

11.3 It is hereby clarified that (i) if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Civil EPC Undertaking to which GIL is a party to, cannot be transferred to the GTL for any reason whatsoever, GIL shall hold such contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of GTL; and (ii) if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature relate to the Civil EPC Undertaking as well as GIL (pursuant to the transfer of the Civil EPC Undertaking), GIL and GTL shall both be entitled to all rights and benefits and be liable for all obligations under the said arrangements, each to the extent of its respective undertaking only.

## **12. REMAINING UNDERTAKING**

12.1 The Remaining Undertaking and all the assets, properties, rights, liabilities and obligations thereto shall continue to belong to and be vested in and be managed by GIL and GTL shall have no right, claim or obligation in relation to the Remaining Undertaking. From the Appointed Date, GIL shall carry on the activities and operations of the Remaining Undertaking distinctly and as a separate business from the Civil EPC Undertaking.

12.2 All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against GIL under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case pertaining to the Remaining Undertaking shall be continued and enforced by or against GIL after the Effective Date. GTL shall in no event be responsible or liable in relation to any such legal or other proceeding against GIL.

12.3 GIL will have the right to access the books, records, files, papers, computer software alongwith their licenses, manuals and backup copies, drawings, data catalogues, and other data and records pertaining to the Civil EPC Undertaking in case required in any legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against GIL under any statute, even after coming into effect of the Scheme and GTL shall be obliged to provide such documents and other records to GIL.

### **13. SAVING OF CONCLUDED TRANSACTIONS**

The transfer and vesting of the Civil EPC Undertaking as above and the continuance of proceedings by or against GIL in relation to the Civil EPC Undertaking shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date in accordance with this Scheme, to the end and intent that GTL accept and adopt all acts, deeds and things done and executed by GIL in respect thereto as done and executed on their behalf.

### **14. CHANGE OF NAME OF GTL**

Upon sanction of this Scheme, the name of GTL shall automatically stand changed without any further act, instrument or deed on the part of GTL to such other name as may be decided by the Board of Directors or a committee thereof and approved by the concerned jurisdictional Registrar of Companies. The Memorandum of Association and Articles of Association of GTL shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13 and Section 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.

### **PART III**

#### **GENERAL TERMS AND CONDITIONS**

##### **15. APPLICATION TO NCLT**

GIL and GTL shall as may be required make applications and/or petitions under Sections 230 to 232 and other applicable provisions of the Act to the NCLT, Mumbai Bench for sanction of this Scheme and all matters ancillary or incidental thereto.

##### **16. MODIFICATION OR AMENDMENTS TO THE SCHEME**

GIL and GTL, by their respective Boards of Directors ('the Board', which term shall include Committee thereof), may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court and/or any other Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board). GIL and GTL by their respective Boards are authorised to take all such steps as may be necessary,

desirable or proper to resolve any doubts, difficulties or questions whatsoever for in relation to carrying out the Scheme, whether by reason of any directive or Orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. However any modification or amendment to the Scheme after the NCLT has sanctioned the scheme will require the prior approval of the NCLT.

#### **17. CONDITIONALITY OF THE SCHEME**

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

- 17.1 The requisite consent, approval or permission of the Central Government including Stock Exchanges and Securities and Exchange Board of India;
- 17.2 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of GIL and GTL as may be directed by the NCLT, Mumbai Bench or any other competent authority, as may be applicable;
- 17.3 The Scheme being sanctioned by the NCLT, Mumbai Bench or any other authority under Sections 230-232 of the Act;
- 17.4 Certified copy of the Order of the NCLT, Mumbai Bench sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra, at Mumbai by GIL and GTL.

#### **18. EFFECT OF NON-RECEIPT OF APPROVALS**

In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/or the Scheme not being sanctioned by the NCLT or

such other competent authority and / or the Order not being passed as aforesaid before September 30, 2018 or within such further period or periods as may be agreed upon between GIL and GTL by their respective Board of Directors or any committee thereof (and which the Board of Directors of the companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

**19. COSTS, CHARGES & EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by GTL.

## Schedule I

### Details of Contracts forming part of the Civil EPC Business

7706	DELHI - NOIDA BRIDGE PROJECT
7712	BHAGIRATHI BRIDGE AT JANGIPUR
7714	MINIFLYOVERS IN CHENNAI CITY PACKAGE - II
7910	VASAI CREEK BRIDGE NO 73
7915	ELEVATED STRUCTURE (VIADUCT) ON TRINAGAR - KOHAT ENCLAVE
7918	DMRC VIADUCT : KOHAT ENCLAVE - RITHALA SECTION
8021	LIBRARY AND COMPUTER CENTRE BUILDING AT IIT - GUWAHATI
8105	900 L.I.G. HOUSES ON TURNKEY BASIS FOR DDA - NEW DELHI
8320	8320 - DMRC Viaduct at Indraprastha
8419	8419 - Construction Of Bal. Civil Works Of Approach Bridge (Deck Portion) To Maralihalla Pump House
8446	8446 - Construction Of Godrej Woodsman Estate,Bangalore
8541	8541 - Construction of Grade Seperators on DEPC Turnkey Basis at Various Intersections in Chennai
8606	8606 - Construction of Hotel 'The Leela Palace', Chennai - Civil, Structural & Other Allied Works
8708	8708 -RCC (INCLUDING PILLING FOR PODIUM)15 STORY TOWERS & PODIAM AT GODREJ HILL KALYAN (W)
8815	8815-Construction of GSTAAD Hotel project, Kasturba Road, Bangalore- Civil & Structural works.
8843	8843- Construction of Galleria Mall, Bengaluru - Civil & Structural Works.
9012	9012-Package ANV2: Construction of Viaduct Including Related Works for 5.27 Km length,Kolkata Metro
BHSG	BANDRA HOUSING PROJECT
6607	CHANDRAPUR COOLING TOWERS
6908	RAICHUR NATURAL DRAUGHT COOLING TOWERS STAGE
7004	DEO AQUADUCT
7006	PANIPAT COOLING TOWER
7301	BUDGE BUDGE CIVIL WORK FOR ASH HANDLING PLANT
7302	PATA I.D. COOLING TOWER AND WATER TREATMENT PLANT FOR LPG RECOVERY UNIT
7601	RAICHUR MULTIFLUE R.C. CHIMNEY STATE
7611	NEELACHAL CIVIL WORKS
7805	NEYVELI NATURAL DRAFT COOLING TOWERS FOR NEYVELI
7814	MECHANICAL WORKS FOR THE BANDRA INFLUENT & EFFLUENT DISPOSAL PROJECT
7820	I.I.T. ACADEMIC COMPLEX PHASE - II
8016	CONSTRUCTION OF TWO MULTIPURPOSE BERTHS AT VISAKHAPATNAM PORT TRUST IN THE STATE OF A.P. ON BOT
8018	KOTA I.D. COOLING TOWERS - MECHANICAL WORKS
8019	KOTA I.D. COOLING TOWERS - CIVIL WORKS

8213	NDCTr & 275 Tall Chimney for Bellary TPP for BHEL
8216	Supply of Cooling Tower Package For Vindhyachal STPP
8217	Vindhyachal C.T.
8301	8301 - Natural Draught Cooling Tower For New Parli Power Project For MSEB
8304	Natural Draught Cooling Tower For Rajasthan Atomic Power Project
8327	Paras NDCT
8331	Design,Engineering, Manf. & supply of 1 No. Cooling Tower for tata Sponge Iron Ltd. at Joda, Orissa
8332	Unloading, Shifting of material,erection & comissioning of 1 no. of cooling tower for Tata Sponge
8423	Chandrapura CT
8435	Cooling Towers Civil Works For 1100mw Sugan CCPP At Akhakhol Near Surat,Gujrat
8442	8442 - Design,Engineering,Supply, Erection and Commi. of Cooling Tower Fans unit 3,4,5 Nashik TPS
8454	Design, Engg, Mfg & Supply of Cooling Tower at New Delhi
8512	Supply & Erection of Cooling tower at National Steel Plant, Jeddah, Saudi Arabia
8515	Civil Works for Jindal Steel plant at Bellary.
8516	Barsingar IDCT & CHY.
8531	8531 - Supply of all material & equipment of cooling tower at baruauini TPS
8532	8532 - Repairing & Installation of Cooling Tower at Barauni TPS
8546	8546 - Work of Cooling Tower for IPP Project Located at Jharsuguda in the State of Orissa
8604	8604 - Paras Expn. Project - Construction of ND Counter Flow Cooling Tower with Film Type Fill
8613	8613 - Replacement of Splash Bars in Stage-I Cooling Towers at NTPC Korba
8624	Supply of Cooling Towers for Korba Super Thermal Power Project
8642	III Construction of Induced Draft Cooling Tower at V.V.Reddy Nagar, Kadapa, AP
8702	Factory Building Kadapa (8602 / 8702)
8716	Tiroda MF Chimney (8716)
8804	DESIGN, DETAILED ENGINEERING, SUPPLY, SHOP INSPECTION & TESTING, PACKING NDCT
8906	8906-REPLACEMENT OF SPLASH BARS IN STAGE I & II COOLING TOWERS FOR KORBA SUPER THERMAL POWER PROJECT
8918	UnoSugan NDCT
8935	Civil work for CW System, Tuticorin Indure
8936	Civil work for CW System, Tuticorin
8944	Storm water drainage system, Jindal
9002	GCW I for 6x660 MW Sasan UMPP Sasan
9003	Constrtn of Channel for Raw Water Intake at Rihand Reservoir for 6x660 MW Sasan UMPP,Sasan MP
ERD1	Energy Refurbishment Account (GACTEL jobs) in Bank or Cash class
MS01	Bhel
8208	Sewa HEP
8727	AP Irrigation: Pranhita
8801	Pravara Power Plant - Onshore supply
8712	Karnataka Road Works (Pkg 4&5) (8712&8713)
8836	Brahmaputra Pipeline
8837	Ramanmandi Pipeline

9020	Patna Buxar Road Project
9118	Patna Buxar Road
6701	Barnar Dam
7618	Adavinainar Koil Masonary Dam
7705	Hathidah Tt Foundation
7710	Srisailam L Bank Canal
7909	TARAPUR INTAKE & DISCHARGE
8009	Bihar Road Works
8012	Rajamundhry Dharmavaram
8101	Kamakhaya Water Supply
8106	DOLPHIN JETTIES
8110	Chennai Water Supply Project
8215	Surendranagar Water Supply Scheme
8307	Paradip Haldia Pipeline
8319	Independent Water & Power At Sohar
8451	Koyali Ratlam Pipeline
8527	8527-Construction Of H.L. Bridge Over River Gurupriya Near Janbai On Chittrakonda-Papermetla Road