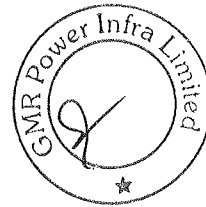


**COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT  
AMONGST  
GMR POWER INFRA LIMITED  
AND  
GMR INFRASTRUCTURE LIMITED  
AND  
GMR POWER AND URBAN INFRA LIMITED  
AND  
THEIR RESPECTIVE SHAREHOLDERS**



CERTIFIED TRUE COPY

For GMR Infrastructure Limited

  
Company Secretary

## PART A – GENERAL

This composite scheme of amalgamation and arrangement is presented under Sections 230 to 232, Section 66 (to the extent applicable) and other applicable provisions of the Act (*as defined hereinafter*) among GMR Power Infra Limited (“GPIL” or the “Amalgamating Company”), GMR Infrastructure Limited (“GIL” or the “Amalgamated Company” or the “Demerged Company”) and GMR Power and Urban Infra Limited (“GPUIL” or the “Resulting Company”) and their respective shareholders.

### 1. PREAMBLE

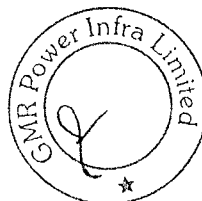
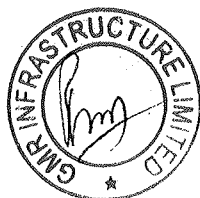
This composite scheme of amalgamation and arrangement, *inter alia*, provides for:

- (a) amalgamation of GPIL with GIL pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act (*as defined hereinafter*);
- (b) followed by the demerger of the Demerged Undertaking (*as defined hereinafter*), comprising of the EPC Business (*as defined hereinafter*) and the Urban Infrastructure Business (*as defined hereinafter*) of GIL, into GPUIL, pursuant to Sections 230 to 232 and other applicable provisions of the Act; and
- (c) various other matters consequential or otherwise integrally connected therewith;

each in the manner as more particularly described in this Scheme (*as defined hereinafter*).

### 2. DESCRIPTION OF GPIL, GIL and GPUIL

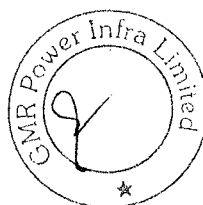
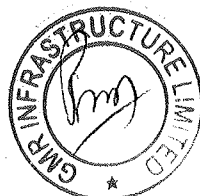
- 2.1. GPIL is a public limited company incorporated on February 25, 2011 under the provisions of the Companies Act, 1956 with its registered office at 701, 7th Floor, Naman Centre, Plot No. C-31, Bandra Kurla Complex, Bandra East, Mumbai Bandra Suburban, Maharashtra - 400051. GPIL is primarily engaged in the business of setting up, maintaining, operating all types of power plants, co-generation power plants, energy conservation projects, power houses, distribution systems for generation, distribution and supply of electrical energy, power generation by use of liquid, gaseous or solid fuels or through renewable energy sources, establishment and installation of all types of infrastructure required for generation, transmission and distribution of power and providing all types of consultancy services in the above areas, carrying on the business of traders, procurers, suppliers, distributors, converters, storers, processor, extractor, exporter and importer of all kind of fuels required for power generation, transmitting, distributing, supplying and selling such power, constructing, executing, developing, maintaining all plants, buildings, power houses, transmission lines to carry on the business of general electric power and supply company and gas work company, constructing, carrying out all necessary power stations, cables, wires, lines, lamps, and generating, accumulating, distributing, supplying electricity and gas to light cities, towns, streets, docks, markets, buildings, and places of both public and private. GIL and its nominees



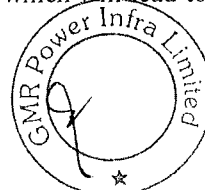
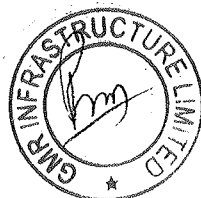
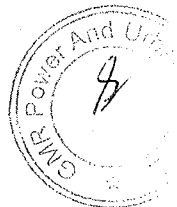
hold 49.98% of the issued share capital of GPIL, 49.99% of the issued share capital of GPIL is held by GMR Energy Projects (Mauritius) Limited (“GEPML”), and the remaining 0.03% of the issued share capital of GPIL is held by GMR Generation Assets Limited (“GGAL”). Both GEPML and GGAL are, directly or indirectly, subsidiaries of GIL.

- 2.2. GIL is a public limited company incorporated on May 10, 1996 under the provisions of the Companies Act, 1956, with its registered office at Naman Centre, 7<sup>th</sup> Floor, Opp. Dena Bank, Plot No.C-31, G Block, Bandra Kurla Complex, Bandra (East), Mumbai, Mumbai City, Maharashtra – 400051. GIL was incorporated as “Varalakshmi Vasavi Power Projects Limited” and changed its name to “GMR Vasavi Infrastructure Finance Limited” consequent to the fresh certificate of incorporation dated May 31, 1999, and subsequently to “GMR Infrastructure Limited” consequent to the fresh certificate of incorporation dated July 24, 2000. GIL is engaged in the infrastructure business and primarily undertakes the business of handling engineering, procurement and construction (“EPC”) solutions in infrastructure sectors as a division and operates in airports, energy, transportation and urban infrastructure business sectors through various subsidiaries, associates and jointly controlled entities, for the purposes of various regulatory stipulations. GIL’s EPC Business (*as defined hereinafter*) caters to the requirements of implementing the projects undertaken through its subsidiaries and group entities. GIL is also engaged in providing support activities, as well as, supervisory and management functions to its group entities. Incidental to its infrastructure business, it raises funds by way of equity and/or debt for further infusion into various special purpose vehicles (including for refinancing) and provides corporate guarantees, bank guarantees and letters of comfort on behalf of subsidiaries and group entities. The equity shares of GIL are listed on the Stock Exchanges (*as defined hereinafter*). GIL has also issued 10,000 (ten thousand) secured non-convertible debentures of Rs. 10,00,000 (Rupees Ten Lakh only) each aggregating to Rs. 1000,00,00,000 (Rupees One Thousand Crore only) listed on the National Stock Exchange of India Limited.
- 2.3. GPUIL is a public limited company incorporated on May 17, 2019 under the provisions of the Act with its registered office at Naman Centre, 7<sup>th</sup> Floor, Opp. Dena Bank, Plot No.C-31, G Block, Bandra Kurla Complex, Bandra (East), Mumbai, Mumbai City, Maharashtra – 400051. GPUIL is incorporated with the object of, *inter alia*, acquiring of interest, right, title, permission, license for building, operating and for any other purposes in infrastructural facilities and services and to promote, develop, acquire rights, concessions, titles, interest in and operate in any manner whatsoever as free trade zone, free economic zones, processing zones or any other such zones, towns and cities in accordance with guidelines/authority for the time being in force and to sell, lease on hire grant rights, title interest, licenses, franchises, easement and otherwise dispose off in any manner whatsoever with infrastructural facilities and services or any rights, titles, concessions acquired therein to any person whether in India or abroad. GIL and its nominees hold 100% of the issued equity share capital of GPUIL.

### 3. RATIONALE FOR RESTRUCTURING



- 3.1. Presently, GIL, directly and/or indirectly through subsidiaries and joint ventures, houses various infrastructure development and operations activities of the group across different verticals i.e., airports, EPC, energy, transportation and urban infrastructure. The Airport Business (*as defined hereinafter*) has a distinct operating model from that of the Urban Infrastructure Business (*as defined hereinafter*) and the EPC Business (*as defined hereinafter*) of GIL, and each of these provide a strong growth opportunity in the foreseeable future. These businesses have, since their inception; attained a significant size and scale in their respective segments.
- 3.2. As these businesses approach their next phase of growth, it would be strategically apt to segregate the Urban Infrastructure Business and EPC Business from the Airport Business, to enable them to move forward independently, with greater focus and specialization, building further on their respective capabilities and their strong brand presence.
- 3.3. The Scheme would benefit these businesses on account of the potential synergies and incremental operational efficiencies from combining the similar and related businesses under GIL (in case of the Airport Business) and under GPUIL (in case of Urban Infrastructure Business and EPC Business) respectively, enabling these businesses to create further value and allowing investors to allocate their portfolio into separate entities, focused on the distinct business of airport (under GIL) and urban infrastructure and EPC (under GPUIL), which aims to unlock shareholder value.
- 3.4. The reorganization would lead to a simplified organization structure assisting shareholders and investors to better understand and evaluate both businesses independently as investment options and potentially lead to a higher value illumination of each of these businesses including by way of attracting long term sectoral / thematic and marquee investors and sovereign wealth funds particularly in the airports, energy and transportation sectors.
- 3.5. Given that the infrastructure business has attained significant maturity, the proposed Scheme will enable GIL and its shareholders to achieve its ultimate objective of segregation of the airport business from the remaining businesses and to achieve clear bifurcation of these businesses for unlocking the value of each vertical and pave way for focused growth with a view to create significant stakeholder value. It is expected that the combined airport business resulting out of such restructuring will have better prospects of growth and will enable management to vigorously pursue a focused growth strategy.
- 3.6. The proposed Scheme will also help to streamline the entire management structure and channelize resources to focus on the growing businesses. A lean management structure will also lead to focused administration and prospectively a reduction in costs for accounting, compliance, auditing, board meetings, secretarial procedures and administration, etc.
- 3.7. The proposed Scheme will allow an exhaustive review of the group holding structure and operations at all levels within the Company with a view to reduce duplicity of costs and resources which can be more efficiently utilized elsewhere. This measure will also help in rationalising and optimising manpower costs which will lead to sustainable growth in



future. The Scheme will facilitate an integrated approach to internal policies, including those pertaining to manning norms, remuneration, employee benefits, workplace rules and policies.

3.8. The proposed Scheme will also stabilize the operating cost of entities and result in synergies, efficient utilization of capabilities and resources.

3.9. Accordingly, the Scheme is expected to be in the best interests of the Companies (*as defined hereinafter*) and their respective shareholders, employees and creditors.

3.10. In furtherance of the aforesaid, this Scheme provides for the following:

(a) the amalgamation of the Amalgamating Company with the Amalgamated Company and the dissolution of the Amalgamating Company without winding up and the cancellation of the equity shares of the Amalgamating Company held by the Amalgamated Company, its nominees, GGAL and GEPML (“**Amalgamation**”);

(b) the transfer, by way of a demerger of the Demerged Undertaking (*as defined hereinafter*) of the Demerged Company to the Resulting Company, the cancellation of equity shares of the Resulting Company held by the Demerged Company (directly and/ or through nominees) and the consequent issue of equity shares by the Resulting Company to the shareholders of Demerged Company in accordance with the Share Entitlement Ratio (*as defined hereinafter*) (“**Demerger**”); and

(c) various other matters consequential or integrally connected therewith, including the reorganisation of the share capital of the Resulting Company;

pursuant to Sections 230 to 232 and other applicable provisions of the Act, including Section 66 (to the extent applicable), in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961, including Sections 2(1B) and 2(19AA) thereof.

3.11. The Amalgamation shall precede the Demerger.

#### 4. PARTS OF THE SCHEME

4.1. The Scheme is divided into following parts:

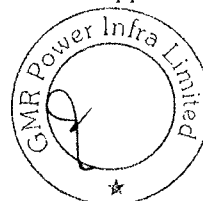
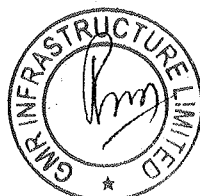
(a) **Part A** deals with background of the Companies, the rationale and objective of the Scheme;

(b) **Part B** deals with the definitions, interpretation and share capital;

(c) **Part C** deals with the Amalgamation;

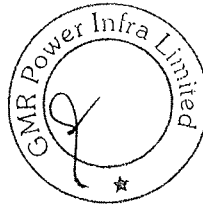
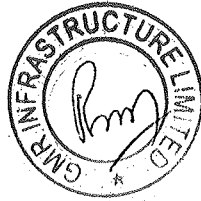
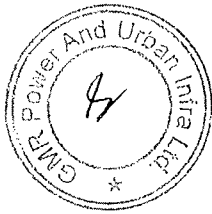
(d) **Part D** deals with the Demerger; and

(e) **Part E** deals with the general terms and conditions applicable to the Scheme.



**5. TREATMENT OF THE SCHEME FOR THE PURPOSES OF INCOME TAX ACT, 1961**

- 5.1. Part C of the Scheme dealing with Amalgamation has been drawn up to comply with the conditions relating to “Amalgamation” as specified under Section 2(1B) of the Income Tax Act, 1961
- 5.2. Part D of the Scheme dealing with Demerger has been drawn up to comply with the conditions relating to “Demerger” as specified under Section 2(19AA) of the Income Tax Act, 1961.
- 5.3. If any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of Section 2(1B) or Section 2(19AA) of the Income Tax Act, 1961, at a later date, including resulting from an amendment of law or for any other reason whatsoever, the provisions of Section 2(1B) and Section 2(19AA) of the Income Tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the provisions of Section 2(1B) and Section 2(19AA) of the Income Tax Act, 1961. Such modifications shall however not affect the other parts of the Scheme.

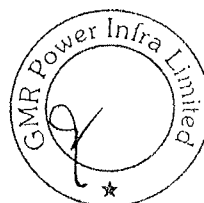
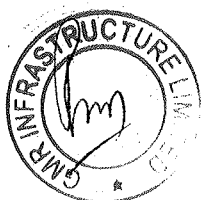


## PART B - DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

### 6. DEFINITIONS

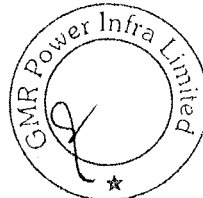
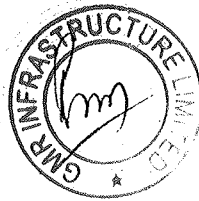
In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively assigned against them:

- 6.1. “**Act**” means the Companies Act, 2013, the rules and regulations made thereunder and any statutory modification or re-enactment thereof for the time being in force;
- 6.2. “**Airport Business**” includes the business of developing, operating and/or maintaining facilities, activities and services provided or proposed to be provided, as an airport operator or an airport, project management, infrastructure services, food & beverages services in India and/or outside India whether undertaken directly or through various subsidiaries, associates and jointly controlled entities, ground handling operations, cargo handling operations, aviation fuel farms of, duty free services, maintenance, repair or overhaul facilities, commercial property development, advertising, retail, hotel and car park facilities, each in relation to airports, and shall deem to include activity of investing in special purpose vehicles engaged in any of the above.
- 6.3. “**Amalgamated Company**” has the meaning assigned to in Part A (*General*) of the Scheme;
- 6.4. “**Amalgamating Company**” has the meaning assigned to in Part A (*General*) of the Scheme;
- 6.5. “**Amalgamating Undertaking**” means all the undertakings and entire business of the Amalgamating Company as a going concern, including:
- (a) all immovable properties and rights thereto, i.e., land together with the buildings and structures standing thereon (whether freehold, leasehold), leave and licensed, right of way, tenancies or otherwise) including roads, drains and culverts, bunk house, civil works, foundations for civil works, buildings, warehouses, offices, etc., which immovable properties form part of the Amalgamating Company and all documents (including declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of rental agreements for lease or license or other rights to use of premises, in connection with the said immovable properties;
  - (b) all assets, as are movable in nature, investments including trade investment, investments in companies, associate companies, fellow subsidiaries, joint ventures, non-current investments forming part of the Amalgamating Company, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (including plant and machinery, capital work in progress, furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventories, stock in trade, stores and spares, packing



material, raw material,), actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, investment and shares in entities/ branches / undertaking of the business in India or overseas, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto, banks, customers and other persons, the benefits of any bank guarantees, performance guarantees and tax related assets;

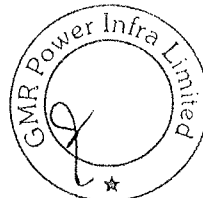
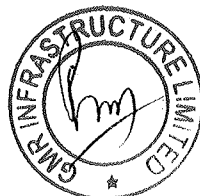
- (c) all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, tax deferrals and exemptions and other benefits (in each case including the benefit of any applications made for the same), income tax benefits and exemptions, if any, liberties and advantages, approval for commissioning of project and other licenses or clearances granted/ issued/ given by any governmental, statutory or regulatory or local or administrative bodies, organizations or companies for the purpose of carrying on business of the Amalgamating Company or in connection therewith including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that form part of the business of the Amalgamating Company;
- (d) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, power purchase agreements (including but not limited to the Power Purchase Agreement dated December 8, 2011 between the Amalgamating Company and Tamil Nadu Generation and Distribution Corporation Limited), lease/ licence agreements, tenancy rights, agreements for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/ manufacturer of goods/ service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, claims and benefits thereunder forming part of the business of the Amalgamating Company;
- (e) intellectual property rights,, registrations, goodwill, trade names, service marks, copyrights, patents, project designs, marketing authorization, approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, domain names, designs, trade secrets, research and studies, technical knowhow, confidential information and other benefits (in each case including the benefit of any applications made for the same) and all such rights of whatsoever description and nature that form part of the business of the Amalgamating Company;
- (f) all rights to use and avail telephones, facsimile, email, internet, leased line





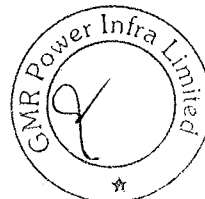
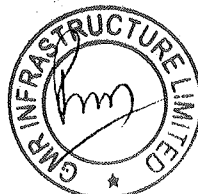
connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by Amalgamating Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by Amalgamating Company;

- (g) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/ supplier pricing information, and all other books and records, whether in physical or electronic form that form part of the business of the Amalgamating Company;
  - (h) the debts, duties, obligations, and Liabilities (including contingent liabilities), if any, of the Amalgamating Company.
  - (i) the employees of the Amalgamating Company engaged by the Amalgamating Company in service on the Effective Date; and
  - (j) all legal or other proceedings of whatsoever nature relating to the business of the Amalgamating Company
- 6.6. **“Applicable Law”** means any applicable statute, law, regulation, ordinance, rule, judgment, order, decree, clearance, approval, directive, guideline, requirement or any similar form of determination by or decision of any Appropriate Authority, that is binding or applicable to a person, whether in effect as of the date on which this Scheme has been approved by the Board of the Companies or at any time thereafter;
- 6.7. **“Appointed Date”** for the purposes of the Scheme means April 1, 2021 or such other date as may be agreed between the Boards of the respective Amalgamating Company/ Demerged Company, the Amalgamated Company and the Resulting Company and as the NCLT may direct/ allow;
- 6.8. **“Appropriate Authority”** means any national, state, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, departmental or public body or authority, board, branch, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority,



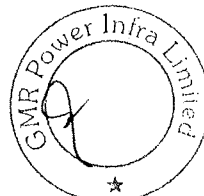
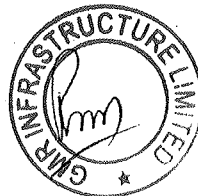
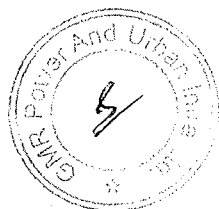
body or other organization have the force of law, or any stock exchange of India or any other country including the ROC, Regional Director, Competition Commission of India, Reserve Bank of India, SEBI, Stock Exchanges, NCLT and such other sectoral regulators or authorities as may be applicable;

- 6.9. **“Board”** in respect of a company means the board of directors of such company in office at the relevant time, and, unless it is repugnant to the context, shall include a committee duly constituted and authorized thereby;
- 6.10. **“Companies”** mean GIL, GPIL and GPUIL, collectively, and **“Company”** means any one of them as the context may require;
- 6.11. **“Debt Securities”** has the meaning set out in Clause 23.3;
- 6.12. **“Demerged Liabilities”** has the meaning set out in Clause 23.1;
- 6.13. **“Demerged Undertaking”** means all the businesses, undertakings, activities and operations (together with its assets and properties) of GIL, of whatsoever nature and kind and wheresoever situated, forming part of the Urban Infrastructure Business and the EPC Business, as a going concern, including the following:
- (a) all immovable properties and rights thereto, i.e., land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including roads, drains and culverts, bunk house, civil works, foundations for civil works, buildings, warehouses, offices, etc., which immovable properties form part of the Urban Infrastructure Business and the EPC Business and all documents (including *panchnamas*, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of rental agreements for lease or license or other rights to use of premises, in connection with the said immovable properties;
  - (b) all assets that are movable in nature, investments including trade investment, investments in companies, associate companies, fellow subsidiaries, joint ventures, non-current investments forming part of the Urban Infrastructure Business and the EPC Business, including investments in entities operating in Urban Infrastructure Business and EPC Business such as energy, highways, urban infrastructure, special economic zones, and EPC and other augmented services, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (including plant and machinery, capital work in progress, furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventories, stock in trade, stores and spares, packing material, raw material), actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, investment and shares in entities/ branches undertaking of the Urban Infrastructure Business and the EPC Business in India



or overseas outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with government, semi-government, local and other authorities and bodies, banks, customers and other persons, the benefits of any bank guarantees, performance guarantees and tax related assets, including but not limited to service tax input credits, minimum alternate tax credit ("MAT") (if any), CENVAT/ goods and service tax/ value added/ sales tax/ entry tax credits or set-offs, advance tax, tax deducted at source and tax refunds;

- (c) all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, tax deferrals and exemptions and other benefits (in each case including the benefit of any applications made for the same), income tax benefits and exemptions including the right to deduction for the residual period, i.e., for the period remaining since Appointed Date out of the total period for which the deduction is available in law, if any, liberties and advantages, approval for commissioning of project and other licenses or clearances granted/ issued/ given by any governmental, statutory or regulatory or local or administrative bodies, organizations or companies for the purpose of carrying on the Urban Infrastructure Business and the EPC Business or in connection therewith including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that form part of the Urban Infrastructure Business and the EPC Business;
- (d) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, power purchase agreements, lease/ license agreements, tenancy rights, agreements/ *panchnamas* for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/ manufacturer of goods/ service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, claims and benefits thereunder forming part of the Urban Infrastructure Business and the EPC Business;
- (e) intellectual property rights, registrations, goodwill, trade names, service marks, copyrights, patents, project designs, marketing authorization, approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, domain names, designs, trade secrets, research and studies, technical knowhow, confidential information and other benefits (in each case including the benefit of any applications made for the same) and all such rights of whatsoever description and nature that form part of the Urban Infrastructure



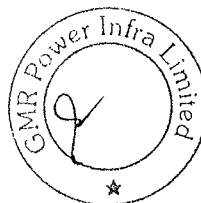
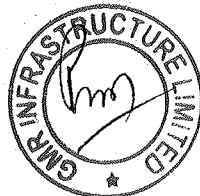
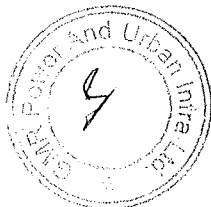
Business and the EPC Business;

- (f) all rights to use and avail telephones, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by Demerged Company forming part of the Urban Infrastructure Business and the EPC Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by Demerged Company and forming part of the Urban Infrastructure Business and the EPC Business;
- (g) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/ supplier pricing information, and all other books and records, whether in physical or electronic form that form part of the Urban Infrastructure Business and the EPC Business;
- (h) the Demerged Liabilities;
- (i) the GIL Transferred Employees; and
- (j) all legal or other proceedings of whatsoever nature that form part of the Urban Infrastructure Business and the EPC Business;

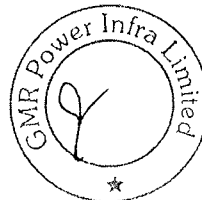
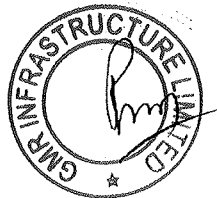
It is clarified that GIL and GPUIL (through their respective Boards (or any committee constituted by the Board to deal with the matters in relation to the Scheme)) shall determine jointly whether any asset, liability, employee, legal or other proceedings form part of the Demerged Undertaking or not, on the basis of any evidence that they may deem relevant for this purpose.

6.14. “**Effective Date**” means the last of the dates on which all the conditions and matters referred to in Clause 40 of the Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme. References in this Scheme to date of ‘coming into effect of the Scheme’ or ‘effectiveness of the Scheme’ shall be construed accordingly;

6.15. “**EPC**” shall have the meaning set out in Clause 2.2;



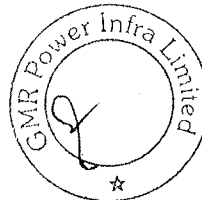
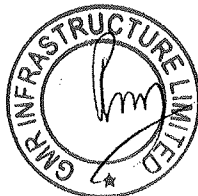
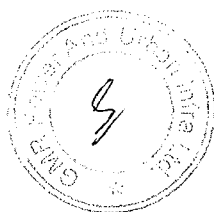
- 6.16. **“EPC Business”** means the business undertaken by GIL pertaining to the EPC operations outside the group, including construction of Dedicated Freight Corridor Corporation projects and Rail Vikas Nigam Limited (**“RVNL”**) projects. Dedicated Freight Corridor is a project undertaken by DFCCIL (a wholly owned public sector undertaking of MoR) and GMR has been awarded a contract to construct a part of the eastern corridor of the project. RVNL’s Multi Modal Transport System (**“MMTS”**) project involves construction of civil works, track linking, yard arrangements, railway electrification, signalling and telecommunication works in Secunderabad and Hyderabad divisions of South Central Railway, Andhra Pradesh. RVNL’s Jhansi - Bhimsen Project, Uttar Pradesh involves various works on the Jhansi to Bhimsen stretch including construction of roadbed, major and minor bridges, track inking, S&T etc,
- 6.17. **“Encumbrance”** or to **“Encumber”** includes without limitation any options, claim, pre-emptive right, easement, limitation, attachment, restraint, mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law;
- 6.18. **“FCCBs”** means the outstanding Foreign Currency Convertible Bonds issued pursuant to the “Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993” and other applicable law;
- 6.19. **“GPIL Employees”** shall have the meaning set out in Clause 15.1;
- 6.20. **“GIL Funds”** shall have the meaning set out in Clause 24.2;
- 6.21. **“GIL Transferred Employees”** shall have the meaning set out in Clause 24.1;
- 6.22. **“Liabilities”** means all debts (whether in Indian Rupees or foreign currency), liabilities (including contingent liabilities, and obligations under any licenses or permits or schemes), loans raised and used, obligations incurred, duties of any kind, nature or description and undertakings of every kind or nature and the liabilities of any description whatsoever whether present or future, and howsoever raised or incurred or utilized along with any charge, encumbrance, lien or security thereon;
- 6.23. **“Long Stop Date”** shall have the meaning set out in Clause 42.1;
- 6.24. **“NCLT”** means the National Company Law Tribunal at Mumbai having jurisdiction in relation to the Companies and/ or the National Company Law Appellate Tribunal as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230 to 232, read with other applicable provisions of the Act and shall include, if applicable, such other forum or authority as may be vested with the powers of a tribunal for the purposes of Sections 230 to 232, read with other applicable provisions of the Act as may be applicable;



- 6.25. “**Record Date**” means, in connection with the Demerger, the date to be fixed by the respective Board of the Demerged Company and the Resulting Company for the purpose of determining the shareholders of the Demerged Company to whom equity shares of the Resulting Company shall be allotted pursuant to the Demerger under this Scheme;
- 6.26. “**ROC**” means the Registrar of Companies at Mumbai, Maharashtra;
- 6.27. “**Retained Business of Demerged Company**” means all the undertakings, investments, businesses, activities and operations of Demerged Company other than those comprised in the Demerged Undertaking;
- 6.28. “**Scheme**” or “**the Scheme**” or “**this Scheme**” means this composite scheme of amalgamation and arrangement in its present form as submitted to NCLT or this Scheme with such modification(s), if any made, as per Clause 38 of the Scheme;
- 6.29. “**SEBI**” means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 6.30. “**SEBI Scheme Circular**” shall have the meaning set out in Clause 40.1;
- 6.31. “**Section 3(a)(10) Exemption**” shall have the meaning set out in Clause 30.12;
- 6.32. “**Securities Act**” shall have the meaning set out in Clause 30.12;
- 6.33. “**Share Entitlement Ratio**” shall have the meaning set out in Clause 30.1;
- 6.34. “**Stock Exchanges**” means BSE Limited and National Stock Exchange of India Limited; and
- 6.35. “**Urban Infrastructure Business**” means the business relating to (i) energy, which includes power generation using various fuel types such as, coal, gas, renewable power, power transmission, interests in coal mining projects, power trading etc., and the projects which are at various stages of development and operations; (ii) transportation, which includes road projects which are operating either on annuity or toll collection based revenues; and (iii) Special Investment Regions (SIR) for establishments of industries in the SEZ or in domestic tariff area as is being undertaken by GIL, including through the Amalgamating Undertaking.

## 7. INTERPRETATION

- 7.1. 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, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 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.
- 7.2. References to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme.



- 7.3. The headings herein shall not affect the construction of this Scheme.
- 7.4. Unless the context otherwise requires, reference to any law or to any provision thereof shall include references to any such law or to any provision thereof as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, or to any law or any provision which replaces it, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.
- 7.5. The singular shall include the plural and vice versa; and references to one gender include all genders.
- 7.6. 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.
- 7.7. References to the term “transfer” shall include any direct or indirect sale, assignment, transfer, gift or transfer by operation of law;
- 7.8. 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).

## 8. DATE OF TAKING EFFECT AND OPERATIVE DATE

This Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.

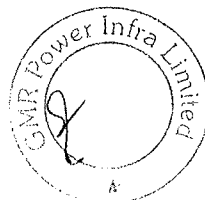
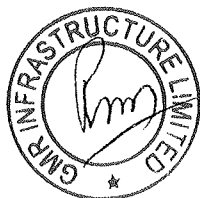
## 9. SHARE CAPITAL

### 9.1. GIL:

- (a) The authorized, issued, subscribed and paid up share capital of GIL as on June 30, 2020 is as under:

Share Capital	Amount (in INR)
<u>Authorized share capital</u>	
1350,00,00,000 equity shares of Rs. 1 each	1350,00,00,000
60,00,000 preference shares of Rs. 1,000 each	600,00,00,000
<b>TOTAL</b>	1950,00,00,000
<u>Issued, subscribed and paid-up share capital</u>	
603,59,45,275 equity shares of Rs. 1 each fully paid up	603,59,45,275
<b>TOTAL</b>	603,59,45,275

- (b) The equity shares of GIL are listed on the Stock Exchanges.
- (c) As of June 30, 2020, GIL has 2 (two) optionally convertible debentures of face



value of Rs. 57,41,97,685 (Rupees Fifty Seven Crores Forty One Lakhs Ninety Seven Thousand Six Hundred and Eighty Five only) each aggregating Rs. 229,67,90,740 (Rupees Two Hundred and Twenty Nine Crores Sixty Seven Lakhs Ninety Thousand Seven Hundred and Forty only) and the conversion of these optionally convertible debentures may result in an increase in the issued and paid-up share capital of GIL.

- (d) Similarly, if the FCCBs issued by the Company are converted, it may result in an increase in the issued and paid-up share capital of GIL.

## 9.2. GPIL:

- (a) The entire issued and paid-up capital of GPIL is held by GIL, its nominees, GGAL, and GEPML. The authorized, issued, subscribed and paid up share capital of GPIL as on June 30, 2020 is as under:

Share Capital	Amount (in INR)
<u>Authorized share capital</u>	
50,00,000 equity shares of Rs. 10 each	5,00,00,000
<b>TOTAL</b>	5,00,00,000
<u>Issued, subscribed and paid-up share capital</u>	
16,99,660 equity shares of Rs. 10 each	1,69,96,600
<b>TOTAL</b>	1,69,96,600

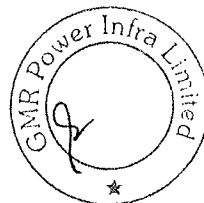
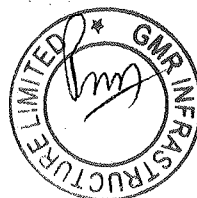
- (b) The equity shares of GPIL are currently not listed on any stock exchange.

## 9.3. GPUIL

- (a) The entire issued and paid-up capital of GPUIL is held by GIL and its nominee shareholders. The authorized, issued, subscribed and paid up share capital of GPUIL as on June 30, 2020 is as under:

Share Capital	Amount (in INR)
<u>Authorized share capital</u>	
5,00,00,000 equity shares of Rs. 10 each	50,00,00,000
<b>TOTAL</b>	50,00,00,000
<u>Issued, subscribed and paid-up share capital</u>	
1,00,000 equity shares of Rs.10 each	10,00,000
<b>TOTAL</b>	10,00,000

- (b) The equity shares of GPUIL are currently not listed on any stock exchange.





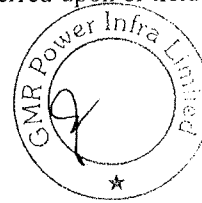
## PART C – AMALGAMATION

### 10. TRANSFER

Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Amalgamating Undertaking will, pursuant to the provisions of Sections 230 to 232, and other applicable provisions, if any, of the Act, be and stand transferred to and vested in the Amalgamated Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, the undertaking of the Amalgamated Company by virtue of and in the manner provided in the Scheme.

### 11. TRANSFER OF ASSETS

- 11.1. Without prejudice to the generality of Clause 10 above, upon the coming into effect of the Scheme, all the estate, assets, investments, properties, rights, claims, title, interest and authorities, including all accretions to and appurtenances comprised in the Amalgamating Company, of whatsoever nature and wheresoever situate, whether or not included in the books of the Amalgamating Company, and all assets and properties, which are acquired by the Amalgamating Company, on or after the Appointed Date but prior to the Effective Date, shall, without any further act or deed, be and stand transferred to and vested in the Amalgamated Company, or be deemed to be transferred to and vested in the Amalgamated Company, as a going concern, so as to become, as and from the Appointed Date (or in case of any estate, assets, etc. acquired on a date after the Appointed Date, with effect from such date), the estate, assets, properties, rights, claims, title, interest and authorities of the Amalgamated Company, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.
- 11.2. Without prejudice to the provisions of Clause 11.1 above, in respect of such of the assets and properties of the Amalgamating Company as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, payment or by endorsement and/or delivery, the effectiveness of the Scheme shall be deemed to constitute delivery or deemed delivery or constructive delivery, as the case may be, of such property and shall, become the assets and property of the Amalgamated Company with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232, read with other applicable provisions of the Act, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.
- 11.3. All the rights, remedies, claims and rights of action of the Amalgamating Company against third parties shall, pursuant to Sections 230 to 232, read with other applicable provisions of the Act, without any further act or deed, be and deemed to be rights, remedies, claims and rights of action of the Amalgamated Company upon the coming into effect of the Scheme and with effect from the Appointed Date.
- 11.4. All the consents, certificates, clearances, authorities, licenses, permits, entitlements, quotas, approvals, permissions, registrations, incentives, sales tax deferrals 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



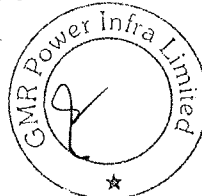
the Amalgamating Company and all rights and benefits that have accrued or which may accrue to the Amalgamating Company, whether before or after the Appointed Date, income tax benefits and exemptions, all other rights, exemptions and benefits including those acquired by the Amalgamating Company on or after the Appointed Date, shall, under the provisions of Sections 230 to 232, read with other applicable provisions of the Act, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Amalgamated Company, as if the same were originally given or issued to or executed in favour of the Amalgamated Company, so as to become as and from the Appointed Date, consents, certificates, clearances, authorities, licenses, permits, entitlements, quotas, approvals, permissions, registrations, incentives, sales tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Amalgamated Company and shall remain valid, effective and enforceable on the same terms and conditions.

## 12. TRANSFER OF LIABILITIES

12.1. Upon the coming into effect of this Scheme, Liabilities of the Amalgamating Company, if any, whether or not recorded in its books and records, shall, under Sections 230 to 232, read with other applicable provisions of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company, and the same shall be assumed by the Amalgamated Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date (or in case of any Liability incurred on a date after the Appointed Date, with effect from such date) the Liabilities of the Amalgamated Company on the same terms and conditions as were applicable to the Amalgamating Company and the Amalgamated 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.

12.2. For the avoidance of doubt:

- (a) all Liabilities incurred or undertaken by the Amalgamating Company on or after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred or undertaken for and on behalf of the Amalgamated Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under Sections 230 to 232, read with other applicable provisions 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 Amalgamated Company and shall become the Liabilities of the Amalgamated Company; and
- (b) where any such Liability of the Amalgamating Company has been discharged by the Amalgamating 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 Amalgamated Company upon the coming into effect of this Scheme.



12.3. 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 liability including a contingent liability in whatever form), if any, due on the Effective Date between the Amalgamating Company and the Amalgamated Company shall automatically stand discharged and come to an end and there shall be no liability in that behalf on the Amalgamating Company and the Amalgamated Company and the appropriate effect shall be given in the books of account and records of the Amalgamated Company.

### 13. CONTRACTS, DEEDS ETC.

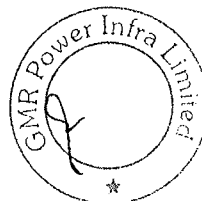
13.1. Upon the coming into effect of the Scheme, and subject to the provisions of this Scheme, all contracts including consultant contracts, deeds, bonds, agreements, power supply and/or distribution contracts, schemes, arrangements, powers of attorney and other instruments of whatsoever nature, to which the Amalgamating Company is a party or to the benefit of which the Amalgamating 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 Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto or thereunder.

13.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Amalgamating Undertaking occurs by virtue of this Scheme itself, the Amalgamated 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 either of the Amalgamating Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme.

### 14. ENCUMBRANCES

14.1. The transfer and vesting of the assets comprised in the Amalgamating Undertaking to and in the Amalgamated Company upon the coming into effect of the Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.

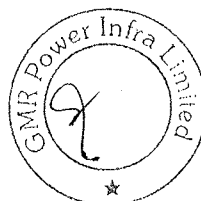
14.2. All Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Provided that if any of the assets of the Amalgamating 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 Amalgamated 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 this Clause.



- 14.3. The existing Encumbrances over the other assets and properties of the Amalgamated Company or any part thereof which relate to the Liabilities and obligations of the Amalgamated 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 Amalgamating Company transferred to and vested in the Amalgamated Company by virtue of the Scheme.
- 14.4. Any reference to the Amalgamating Company and its assets and properties in any security documents or arrangements to the Amalgamating Company is a party shall be construed as a reference to the Amalgamated Company and the same assets and properties of the Amalgamating Company shall be transferred to the Amalgamated Company by virtue of the Scheme. Without prejudice to the foregoing provisions, the Amalgamated 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 ROC to give formal effect to the above provisions, if required.
- 14.5. Upon the coming into effect of the Scheme, the Amalgamated Company shall be liable to perform all obligations in respect of the Liabilities which have been transferred to it in terms of the Scheme.
- 14.6. Save as herein provided, no other term or condition of the Liabilities transferred to the Amalgamated Company is modified by virtue of the Scheme except to the extent that such amendment is required by necessary implication.
- 14.7. The provisions of this Clause will 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 or the terms of sanction or issue or any security document shall stand modified and/or superseded by the foregoing provisions.

## 15. EMPLOYEES

- 15.1. Upon the coming into effect of this Scheme, all employees of GPIL as on the Effective Date (“GPIL Employees”) shall become the employees of the Amalgamated Company with effect from the Appointed Date, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Amalgamating Company and without any interruption of or break in service as a result of the Amalgamation of the Amalgamating Company with the Amalgamated Company. For the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such GPIL Employees with the Amalgamating Company shall also be taken into account, and paid (as and when payable) by the Amalgamated Company.
- 15.2. It is clarified that save as expressly provided for in the Scheme and subject to Clause 15.1, the GPIL Employees who become the employees of the Amalgamated Company by virtue of this Scheme, shall be entitled to such employment policies and shall be entitled to avail of such schemes and benefits, as may be determined by the Amalgamated Company. The



Amalgamated Company undertakes to continue to abide by any agreement/settlement, if any, entered into by the Amalgamating Company with any union/GPIL Employees of the Amalgamating Company.

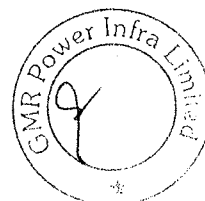
- 15.3. If any funds are created or investments are made by the Amalgamating Company in relation to GPIL Employees, those shall be transferred to the Amalgamated Company or the trustees of similar trusts created by the Amalgamated Company and shall be held for the benefit of those GPIL Employees who are eligible for benefits under such funds prior to the Effective Date. In the event, the Amalgamated Company has its own funds in respect of any of the benefits to be provided to employees as referred to above, all amounts standing to the credit of the such funds and investments made shall be transferred to the relevant funds of the Amalgamated Company.
- 15.4. In relation to any other fund created or existing for the benefit of the GPIL Employees being transferred to the Amalgamated Company, the Amalgamated Company shall stand substituted for the Amalgamating Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such funds in respect of such GPIL Employees, such that all the rights, duties, powers and obligations of the Amalgamating Company in relation to such funds shall become those of the Amalgamated Company.

## 16. LEGAL, TAXATION AND OTHER PROCEEDINGS

- 16.1. 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 Amalgamating Company, pending on the Effective Date, shall be continued and/or enforced by or against the Amalgamated Company as effectually and in the same manner and to the same extent as if the same had been instituted against the Amalgamated Company.
- 16.2. The Amalgamated Company shall have all legal, taxation or other proceedings initiated by or against the Amalgamating Company referred to in Clause 16.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Amalgamated Company.
- 16.3. Without prejudice to the provisions of Clauses 10 to 15, upon effectiveness of the Scheme and with effect from the Appointed Date, all transactions between the Amalgamating Company and the Amalgamated Company, that have not been completed, shall stand cancelled.

## 17. TAXATION MATTERS

- 17.1. Upon the Scheme coming into effect, all taxes (including sales tax, excise duty, custom duty, service tax, sales tax, value added tax, goods and services tax etc.), cess duties paid, payable, received or receivable by or on behalf of the Amalgamating Company, including all or any refunds, claims or entitlements (including MAT credit entitlement), credits, MAT credit (if any), taxes paid in advance, and/ or taxes deducted at source, including



refunds or claims pending with the revenue authorities, if any, shall, for all purposes, be treated as the taxes/ cess/ duties, liabilities or refunds, tax paid by the Amalgamated Company, and the resulting entitlements for set-off and credits thereof as being of the Amalgamated Company.

17.2. All compliances with respect to taxes or any other applicable laws between the Appointed Date and Effective Date, undertaken by Amalgamating Company, shall, upon the effectiveness of this Scheme, be deemed to have been complied with, by the Amalgamated Company.

17.3. Amalgamating Company and Amalgamated Company are expressly permitted to revise their tax returns including tax deducted at source certificates/ returns, goods and services tax returns or any other statutory returns and to claim refunds, MAT credit (if any), advance tax credits, TDS credits, excise, service tax credits, set off, sales tax, value added tax, goods and services tax etc., as may be required upon the coming into effect of this Scheme.

## 18. CONDUCT OF BUSINESS ON ACCOUNT OF THE AMALGAMATED COMPANY

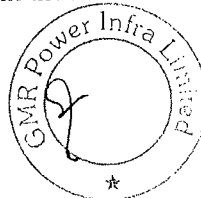
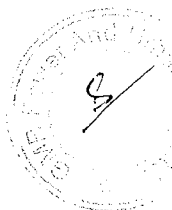
18.1. Upon the coming into effect of the Scheme, with effect from the Appointed Date and up to and including the Effective Date:

(a) the Amalgamating Company shall 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 and investments for and on account of, and in trust for, the Amalgamated Company;

(b) all profits and income accruing or arising to the Amalgamating Company, and losses and expenditure arising or incurred by it (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, as the case may be, of the Amalgamated Company; and

(c) any of the rights, powers, authorities or privileges exercised by the Amalgamating Company shall be deemed to have been exercised by the Amalgamating Company for and on behalf of, and in trust for and as an agent of the Amalgamated Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Amalgamating Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Amalgamated Company.

18.2. Subject to the terms of the Scheme, the transfer and vesting of the Amalgamating Undertaking as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Amalgamating Company on or before the Appointed Date or after the Appointed Date till the Effective Date, to the end and intent



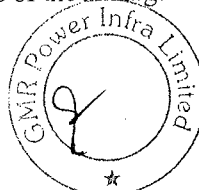
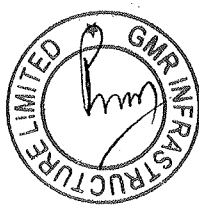
that the Amalgamated Company accepts and adopts all acts, deeds and things made, done and executed by the Amalgamating Company as acts, deeds and things made, done and executed by or on behalf of the Amalgamated Company.

## 19. CONSIDERATION

- 19.1. As the entire share capital of Amalgamating Company is held by Amalgamated Company (directly and/ or indirectly through subsidiaries and nominees), no consideration shall be payable pursuant to the Amalgamation. Shares held by GIL, its subsidiaries and nominees in Amalgamating Company shall stand cancelled without any further act, application or deed.

## 20. ACCOUNTING TREATMENT IN THE BOOKS OF THE AMALGAMATED COMPANY

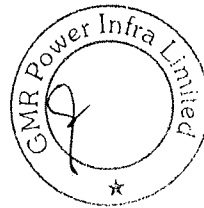
- 20.1. On the Scheme becoming effective, the Amalgamated Company shall account for Amalgamation in accordance with "Pooling of interest method" laid down by Appendix C of Ind AS 103 (Business combinations of entities under common control) notified under the provisions of the Act.
- 20.2. The Amalgamated Company shall record all the assets, liabilities and reserves of the Amalgamating Company, vested in the Amalgamated Company pursuant to the Scheme, at their existing carrying amounts.
- 20.3. The carrying amount of investments in the equity shares of Amalgamating Company as appearing in the books of the Amalgamated Company, shall stand cancelled.
- 20.4. If and to the extent there are inter corporate loans, deposits or balances as between the Amalgamated Company and the Amalgamating Company, the obligations in respect thereof, shall stand cancelled and there shall be no obligation/rights in that behalf.
- 20.5. In case of any difference in accounting policies between the Amalgamated Company and the Amalgamating Company, the accounting policies followed by the Amalgamated Company will prevail and the impact of the difference will be quantified and adjusted to the reserves of GIL to ensure that the financial statements of the Amalgamated Company reflect the financial position on the basis of consistent accounting policies.
- 20.6. All the cost and expenses incurred in connection with the Scheme and to put it into operation and any other expenses or charges attributable to the implementation of Scheme shall be debited to the statement of profit and loss of the Amalgamated Company
- 20.7. The financial information in the financial statements in respect of prior periods shall be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.
- 20.8. The identity of the reserves, including retained earnings, shall be preserved and shall appear in the financial statements of the Amalgamated Company in the same form in which they appeared in the financial statements of the Amalgamating Company.



20.9. The difference between the value of assets over the value of liabilities and reserves of the Amalgamating Company transferred to the Amalgamated Company pursuant to the Scheme, after adjusting any differences arising on the cancellation of investment in equity share capital of the Amalgamating Company as per Clause [19.1] and inter-company balances as per Clause [12.3] above, will be transferred to the capital reserve of the Amalgamated Company and presented separately from other Capital Reserve in the books of GIL with disclosure of its nature and purpose in the notes to the financial statements of GIL.

## 21. DISSOLUTION OF AMALGAMATING COMPANY

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

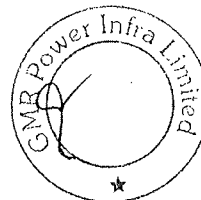




## PART D – DEMERGER

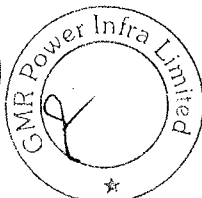
### 22. TRANSFER OF ASSETS

- 22.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Undertaking shall, subject to the provisions of this Clause in relation to the mode of transfer and vesting and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act and without any further act or deed, be demerged from the Demerged Company and be transferred to and vested in and be deemed to have been demerged from the Demerged Company and transferred to and vested in the Resulting Company as a going concern so as to become, as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Resulting Company, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/ or financial institutions.
- 22.2. Upon the Scheme becoming effective, with effect from the Appointed Date, in respect of such of the assets of the Demerged Undertaking as are movable in nature and/ or otherwise capable of transfer by manual or constructive delivery and/ or by endorsement and delivery, the same shall stand transferred by Demerged Company to Resulting Company pursuant to the provisions of Section 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property of Resulting Company as an integral part of the Demerged Undertaking subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/ or financial institutions.
- 22.3. Without prejudice to the generality of Clause 22.2 and in respect of movable assets other than those dealt with in Clause 22.2 above, including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with any Appropriate Authorities or any other bodies and/ or customers or any other person, if any, forming part of the Demerged Undertaking, whether recoverable in cash or in kind or for value to be received, bank balances, etc., the same shall stand transferred to and vested in Resulting Company without any notice or other intimation to any person in pursuance of the provisions of Sections 230 to 232 read with other applicable provisions of the Act to the end and intent that the right of Demerged Company to recover or realize the same stands transferred to Resulting Company, and that appropriate entries should be passed in their respective books to record the aforesaid change, without any notice or other intimation to such debtors, depositors or persons as the case may be. Resulting Company may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in Resulting Company and be paid or made good or held on account of the Resulting Company as the person entitled thereto.
- 22.4. Without prejudice to the generality of the foregoing, all assets, estate, rights, title, interest and authorities held by the Demerged Company on the Appointed Date in relation to the Demerged Undertaking, not otherwise specified in Clauses 22.1, 22.2 and 22.3 above, shall also, without any further act, instrument or deed, stand transferred to and vested in



and/ or be deemed to be transferred to and vested in the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act.

- 22.5. Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme, all the rights, title, interest and claims of Demerged Company in any immovable properties including any leasehold/ leave and licence/ right of way properties of Demerged Company forming part of the Demerged Undertaking, shall, pursuant to Sections 230 to 232 of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to or vested in Resulting Company on the same terms and conditions. The immovable property forming part of the Demerged Undertaking shall stand transferred to Resulting Company either under the Scheme or by way of a separate conveyance or agreement without payment of consideration.
- 22.6. All assets, estate, rights, title, interest and authorities acquired by the Demerged Company after the Appointed Date and prior to the Effective Date forming part of the Demerged Undertaking shall also stand transferred to and vested or be deemed to have been transferred to or vested in Resulting Company upon the coming into effect of this Scheme without any further act, instrument or deed.
- 22.7. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is expressly clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date, all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, tax incentives/ concessions, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, issued to or granted to or executed in favour of Demerged Company, and the rights and benefits under the same, in so far as they relate to the Demerged Undertaking and all intellectual property and rights thereto of Demerged Company, whether registered or unregistered, along with all rights of commercial nature including attached goodwill, title, interest, quality certifications and approvals, trademarks, trade names, service marks, copy rights, domain names, designs, trade secrets, research and studies, technical knowhow and all such other industrial or intellectual rights of whatsoever nature and all other interests relating to the goods or services forming part of the Demerged Undertaking and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents acquired by Demerged Company forming part of the Demerged Undertaking shall be transferred to and vested in or deemed to have transferred to or vested in Resulting Company and the concerned licensors and grantors of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with law, Resulting Company on such approvals, clearances, permissions so as to empower and facilitate the approval and vesting of the Demerged Undertaking in Resulting Company and continuation of operations forming part of Demerged Undertaking in Resulting Company without hindrance and that such approvals, clearances and permissions shall remain in full force and effect in favour of or against Resulting Company, as the case may be, and may be enforced as fully and effectually as if, instead of Demerged Company, Resulting Company had been a party or beneficiary or obligee thereto.



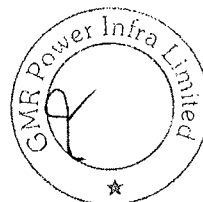
22.8. In so far as various incentives, subsidies, exemptions, all indirect tax related benefits, including service tax benefits, income tax holiday/ benefit/ losses and other benefits or exemptions or privileges enjoyed, granted by any Appropriate Authority or by any other person, or availed of by Demerged Company are concerned, the same shall, without any further act or deed, in so far as they relate to the Demerged Undertaking, vest with and be available to Resulting Company on the same terms and conditions as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to Resulting Company.

### 23. TRANSFER OF LIABILITIES

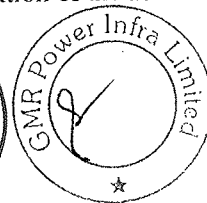
23.1. Upon coming into effect of this Scheme and with effect from the Appointed Date, all debts, duties, obligations, and Liabilities (including contingent liabilities) of Demerged Company forming part of the Demerged Undertaking (“**Demerged Liabilities**”) shall without any further act, instrument or deed be and stand transferred to Resulting Company to the extent that they are outstanding as on the Effective Date and shall thereupon become the debts, duties, obligations, and liabilities of Resulting Company which it undertakes to meet, discharge and satisfy to the exclusion of Demerged Company such that Demerged Company shall in no event be responsible or liable in relation to any such Demerged Liabilities. Resulting Company shall keep Demerged Company indemnified at all times from and against all such debts, duties, obligations and liabilities and from and against all actions, demands and proceedings in respect thereto. 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 debts, obligations, duties and liabilities have arisen in order to give effect to the provisions of this Clause. The term ‘Demerged Liabilities’ shall mean:

- (a) the liabilities which arise out of the activities or operations of the Demerged Undertaking;
- (b) the specific loans or borrowings (including debentures, if any, raised, incurred and/ or utilized solely or any portion of such for the activities or operations of the Demerged Undertaking); and
- (c) in cases other than those referred to in Clause 23.1(a) or Clause 23.1(b) above, so much of the amounts of general or multipurpose borrowings, if any, of Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the Demerger bears to the total value of the assets of Demerged Company immediately prior to the Appointed Date.

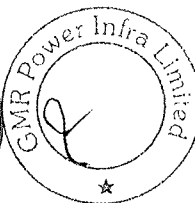
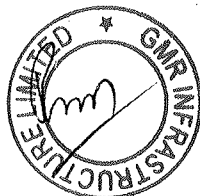
23.2. In so far as loans and borrowings of Demerged Company are concerned, the loans and borrowings and such amounts pertaining to the general and multipurpose loans, and liabilities, if any, which are to be transferred to Resulting Company in terms of Clause 23.1 hereof, shall, without any further act or deed, become loans and borrowings of Resulting Company, and all rights, powers, duties and obligations in relation thereto shall stand transferred to and vested in and shall be exercised by or against Resulting Company as if it had entered into such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities shall be that of Resulting Company.



- 23.3. Upon the coming into effect of the Scheme and without prejudice to the aforesaid, all debt securities, bonds, debentures, notes and other instruments of like nature (whether convertible into equity shares or not) issued by the Demerged Company in relation to the Demerged Undertaking, or relating to the Demerged Company in accordance with Section 2(19AA) of the Income Tax Act, 1961, including, without limitation, the outstanding FCCBs, non-convertible debentures and optionally convertible debentures (“Debt Securities”) to the extent attributable to the Demerged Undertaking under Section 2(19AA) of the Income Tax Act, 1961 shall, pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Act, without any further act, instrument or deed, become the debt securities of the Resulting Company on the same terms and conditions, except to the extent modified under the provisions of this Scheme and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Resulting Company as if it was the issuer of the Debt Securities so transferred.
- 23.4. Subject to the requirements, if any, imposed or concessions, if any, granted by the Stock Exchanges, and other terms and conditions agreed with the Stock Exchanges, the non-convertible debentures which stand transferred to the Resulting Company shall be listed and/ or admitted to trading on the Wholesale Debt Market segment of National Stock Exchange of India Limited, where the non-convertible debentures are currently listed and/ or admitted to trading, on the same terms and conditions, unless otherwise modified in accordance with applicable law.
- 23.5. Where any of the liabilities and obligations of Demerged Company as on the Appointed Date deemed to be transferred to Resulting Company, have been partially or fully discharged by Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of Resulting Company and all liabilities and obligations incurred by Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to Resulting Company and shall become the liabilities and obligations of Resulting Company.
- 23.6. In so far as the existing Encumbrances in respect of the Demerged Liabilities are concerned, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been Encumbered in respect of the Demerged Liabilities as transferred to Resulting Company pursuant to this Scheme. Provided that if any of the assets comprised in the Demerged Undertaking which are being transferred to the Resulting Company pursuant to this Scheme have not been Encumbered in respect of the Demerged Liabilities, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. 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.



- 23.7. Subject to the other provisions of this Scheme, in so far as the assets forming part of the Demerged Undertaking are concerned, the Encumbrances, over such assets, to the extent they relate to any loans or borrowings or debentures or other debt or debt securities of Demerged Company pertaining to the Retained Business of Demerged Company shall, as and from the Effective Date, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as Encumbrances in relation to those liabilities of Demerged Company pertaining to the Retained Business of Demerged Company which are not transferred to Resulting Company pursuant to the Scheme (and which shall continue with Demerged Company).
- 23.8. In so far as the assets of the Retained Business of Demerged Company are concerned, the Encumbrances over such assets, to the extent they relate to any loans or borrowings forming part of the Demerged Undertaking shall, without any further act, instrument or deed be released and discharged from such Encumbrances. The absence of any formal amendment which may be required by a bank and/ or financial institution or trustee or third party in order to effect such release shall not affect the operation of this Clause.
- 23.9. In so far as the existing Encumbrances in respect of the loans and other liabilities relating to the Retained Business of Demerged Company are concerned, such Encumbrances shall, without any further act, instrument or deed be continued with Demerged Company only on the assets relating to the Retained Business of Demerged Company and the assets of the Demerged Undertaking shall stand released therefrom.
- 23.10. Notwithstanding anything contained in Clauses 23.7, 23.8 and 23.9 hereinabove, the respective Boards of the Demerged Company and the Resulting Company may mutually agree to retain Encumbrances on the assets of the Demerged Undertaking which do not pertain to the Demerged Liabilities or retain Encumbrances on the assets of the Retained Business, which pertain to the Demerged Liabilities and the Boards of the Resulting Company and the Demerged Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause. Upon the coming into effect of the Scheme, the resolutions, if any, of the Demerged Company, relating to any powers to borrow, make investments, give loans, give guarantees, etc. approved under the provisions of the Act or any other applicable statutory provisions, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Resulting Company and the amounts under such resolutions shall be added to the amounts under like resolutions passed by the Resulting Company or shall become the amounts available to the Resulting Company as if the resolutions were passed by the Resulting Company. The same shall be effected as an integral part of the Scheme and the consent of the shareholders of the Demerged Company and the Resulting Company to the Scheme shall be deemed to be their consent in relation to all matters set out in this Clause and no further approval of the shareholders of the Demerged Company or the Resulting Company would be required in this connection under any Applicable Law.
- 23.11. Without any prejudice to the provisions of the foregoing Clauses, Demerged Company and Resulting Company shall enter into and execute such other deeds, instruments,



documents and/ or writings and/ or do all acts and deeds as may be required, including the filing of necessary particulars and/ or modification(s) of charge, with the ROC to give formal effect to the provisions of this Clause and foregoing Clauses, if required.

23.12. Upon the coming into effect of this Scheme and with effect from the Appointed Date, Demerged Company alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to the Retained Business of Demerged Company and Resulting Company shall not have any obligations in respect of the debts, liabilities, duties and obligations of the Retained Business of Demerged Company. Further, upon the coming into effect of this Scheme and with effect from the Appointed Date, Resulting Company alone shall be liable to perform all obligations in respect of Demerged Liabilities, which have been transferred to it in terms of this Scheme, and Demerged Company shall not have any obligations in respect of such Demerged Liabilities.

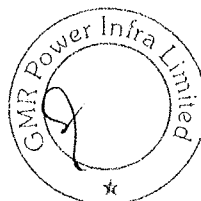
23.13. The foregoing provisions shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall be deemed to have been modified and/ or superseded by the foregoing provisions.

23.14. It is expressly provided that, save as mentioned in this Scheme, no other term or condition of the Demerged Liabilities transferred to the Resulting Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

23.15. All cheque and other negotiable instruments, pay orders, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of Demerged Company after the Effective Date, in so far as the same forms part of the Demerged Undertaking, shall be deemed to have been in the name of Resulting Company and credited to the account of Resulting Company, if presented by Resulting Company or received through electronic transfers and shall be accepted by the relevant bankers and credited to the accounts of the Resulting Company. Similarly, the banker of Resulting Company shall honour all cheque/ electronic fund transfer instructions issued by Demerged Company (in relation to the Demerged Undertaking) for payment after the Effective Date. If required, the bankers of Demerged Company and/ or Resulting Company shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of Demerged Company by Resulting Company in relation to the Demerged Undertaking for such time as may be determined to be necessary by Resulting Company for presentation and deposit of cheque, pay order and electronic transfers that have been issued/ made in the name of Demerged Company.

#### 24. EMPLOYEES

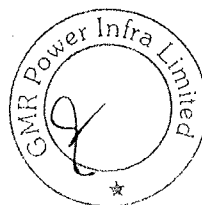
24.1. On the Scheme becoming effective, all employees of Demerged Company engaged in the Demerged Undertaking in service on the Effective Date (“**GIL Transferred Employees**”) shall be deemed to have become employees of Resulting Company with effect from the Appointed Date or their respective joining 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 Resulting Company shall not be less favourable than those applicable to them with reference to their employment in Demerged Company on the Effective Date.

- 24.2. It is expressly provided that, on the Scheme becoming effective, insofar as the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff and employees of Demerged Company (including GIL Transferred Employees) are concerned (collectively referred to as the "GIL Funds"), such proportion of the investments made in the funds and liabilities which are referable to the GIL Transferred Employees shall be transferred to the similar funds created by Resulting Company and shall be held for their benefit pursuant to this Scheme, or at the sole discretion of Resulting Company, maintained as separate funds by Resulting Company. In the event that Resulting Company does not have its own funds in respect of any of the above, Resulting Company may, subject to necessary approvals and permissions, continue to contribute to the relevant GIL Funds or discharge such liabilities of Demerged Company, until such time that Resulting Company creates its own funds, at which time the funds and the investments and contributions pertaining to the GIL Transferred Employees shall be transferred to the funds created by Resulting Company.
- 24.3. Further to the transfer of GIL Funds as set out in Clause 24.2 above, 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, all rights, duties, powers and obligations of Demerged Company in relation to Demerged Undertaking as on the Effective Date in relation to such fund or funds shall become those of Resulting Company. It is clarified that the services of the GIL Transferred Employees of Demerged Company forming part of the Demerged Undertaking will be treated as having been continuous for the purpose of the said GIL Funds.
- 24.4. In relation to any other fund (including any funds set up by the government for employee benefits) created or existing for the benefit of the GIL Transferred Employees, Resulting Company shall stand substituted for Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such GIL Transferred Employees.
- 24.5. In so far as the existing benefits or funds created by Demerged Company for the employees of the Retained Business of Demerged Company are concerned, the same shall continue and Demerged Company shall continue to contribute to such benefits or funds in accordance with the provisions thereof, and such benefits or funds, if any, shall be held *inter alia* for the benefit of the employees of the Retained Business of Demerged Company and Resulting Company shall have no liability in respect thereof.

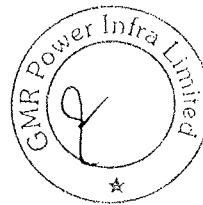
## 25. LEGAL PROCEEDINGS



- 25.1. Upon the coming into effect of this Scheme, if any suit, appeal, legal, taxation or other proceeding of whatever nature, whether criminal or civil (including before any statutory or quasi-judicial authority or tribunal), under any statute, by or against Demerged Company in relation to Demerged Undertaking whether pending on the Appointed Date or which may be instituted any time thereafter, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against Resulting Company, as the case may be, after the Effective Date, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Demerged Company in relation to Demerged Undertaking as if this Scheme had not been made.
- 25.2. In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against Demerged Company in relation to Demerged Undertaking, Resulting Company shall be made party thereto and shall prosecute or defend such proceedings in co-operation with Demerged Company and any payment and expenses made thereto shall be the liability of Resulting Company.
- 25.3. Resulting Company undertakes to have all legal or other proceedings initiated by or against Demerged Company referred to in Clause 25.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against Resulting Company to the exclusion of Demerged Company. Both companies shall make relevant applications in that behalf.

## 26. CONTRACTS, DEEDS, ETC.

- 26.1. Upon coming into effect of this Scheme and subject to the other provisions of this Scheme, all contracts, deeds, bonds, schemes, insurance, letters of intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature forming part of the Demerged Undertaking to which Demerged Company is a party or to the benefit of which Demerged Company is eligible and which is subsisting or having effect on the Effective Date, shall without any further act or deed, continue in full force and effect against or in favour of Resulting Company and may be enforced by or against Resulting Company as fully and effectually as if, instead of Demerged Company, Resulting Company had been a party thereto. It shall not be necessary to obtain the consent of any third party or other person who is a party to any such contracts, deeds, bonds, agreements, schemes, arrangements and other instruments to give effect to the provisions of this Clause.
- 26.2. Resulting Company may at its sole discretion enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme. Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of Demerged Company for the Demerged Undertaking and to implement or carry out all formalities required to give effect to the provisions of this Scheme.





26.3. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of Demerged Company in relation to the Demerged Undertaking, including by any Appropriate Authority, including the benefits of any applications made for any of the foregoing, shall stand transferred to Resulting Company as if the same were originally given by, issued to or executed in favour of Resulting Company, and the Resulting 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 Resulting Company. Resulting Company shall make necessary applications/ file relevant forms to any Appropriate Authority as may be necessary in this behalf.

26.4. Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which Demerged Company owns or to which the Demerged Company is a party to, cannot be transferred to Resulting Company for any reason whatsoever, Demerged Company shall hold such asset or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of Resulting Company, insofar as it is permissible so to do, till such time as the transfer is effected.

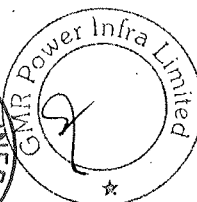
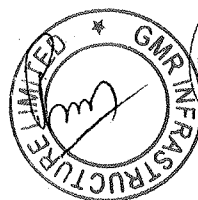
## 27. SAVING OF CONCLUDED TRANSACTIONS

27.1. Subject to the terms of the Scheme, the transfer of the Demerged Undertaking into Resulting Company in terms of this Part D and the continuance of legal proceedings by or against Resulting Company under Clause 25 above shall not affect any transaction or proceedings already concluded by Demerged Company for the Demerged Undertaking until the Effective Date, to the end and intent that Resulting Company accept and adopts all acts, deeds and things done and executed by Demerged Company for the Demerged Undertaking in respect thereto as acts, deeds and things made, done and executed by or on behalf of Resulting Company.

## 28. TAXES/ DUTIES/ CESS ETC.

28.1. With effect from the Appointed Date, all taxes (including sales tax, excise duty, custom duty, service tax, sales tax, value added tax, goods and services tax etc.), duties, cess received/ receivable/ paid/ payable by Demerged Company relating to the Demerged Undertaking, including all or any refunds/MAT credit entitlement/ input credit/ claims/ tax losses/ unabsorbed depreciation relating thereto shall be treated as the asset/ liability or refunds/ MAT credit entitlement/input credit/ claims/ tax losses/ unabsorbed depreciation, as the case may be, of Resulting Company.

28.2. Any benefits under incentive schemes and policies relating to the Demerged Undertaking shall be transferred to and vested in GPUIL.



28.3. Demerged Company and Resulting Company are expressly permitted to revise their tax returns including tax deducted at source certificates/ returns, goods and services tax returns or any other statutory returns and to claim refunds, advance tax credits, TDS credits, excise, service tax credits, set off, sales tax, value added tax, goods and services tax, etc., on the basis of the accounts of the Demerged Undertaking as vested with Resulting Company upon the coming into effect of this Scheme.

Impact under Clause 31 to the statement of profit and loss of GIL shall be ignored for the purposes of calculation of book profit under Section 115JB of the Income Tax Act, 1961.

## 29. CANCELLATION

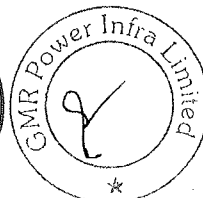
Upon the Scheme coming into effect, all equity shares of the Resulting Company held by the Demerged Company (directly and/ or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued or payment made in cash or in kind whatsoever by the Resulting Company to the Demerged Company in lieu of such shares of the Resulting Company. For avoidance of doubt, it is clarified that the reduction in the share capital of the Resulting Company, pursuant to such cancellation shall be effected as an integral part of this Scheme and Section 66 of the Act shall not apply to the Resulting Company to effectuate such reduction of capital.

## 30. CONSIDERATION FOR DEMERGER

30.1. Upon this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking of Demerged Company in Resulting Company in terms of this Scheme, Resulting Company shall, without any further application, act or deed, issue and allot equity shares, credited as fully paid-up, to the members of Demerged Company, holding fully paid up equity shares in Demerged Company and whose names appear in the register of members of Demerged Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as on the Record Date in the following manner:

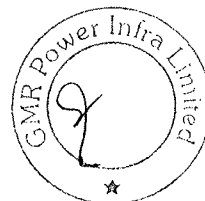
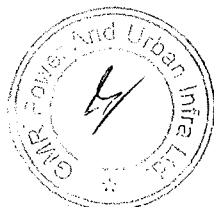
*"1 (one) fully paid up equity share of Rs. 5 (Rupees Five only) each of GPUIL shall be issued and allotted for every 10 (ten) fully paid up equity shares of Re. 1 (Rupee One only) each held in GIL ("Share Entitlement Ratio")".*

30.2. The equity shares to be issued by the Resulting Company shall be issued in dematerialized form to those shareholders who hold shares of the Demerged Company in dematerialized form, into the account in which shares of the Demerged Company are held or such other account as is intimated in writing by the shareholders to the Demerged Company and/ or its registrar provided such intimation has been received by the Demerged Company and/ or its registrar at least 7 (seven) days before the Record Date. All those shareholders who hold shares of the Demerged Companies in physical form shall also receive the equity shares to be issued by Resulting Company, in dematerialized form provided the details of their account with the depository participant are intimated in writing to the Demerged Company and/ or its registrar provided such intimation has been received by the Demerged Company and/ or its registrar at least 7 (seven) days before the Record Date. If

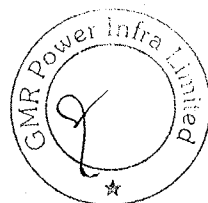


no such intimation is received from any shareholder who holds shares of the Demerged Company in physical form 7 (seven) days before the Record Date, or if the details furnished by any shareholder do not permit electronic credit of the shares of the Resulting Company, then the Resulting Company may allot physical shares or shares in such other form, to such shareholder as may be permitted under the Applicable Law.

- 30.3. In the event of any increase in the issued, subscribed or paid up share capital of the Demerged Company or the Resulting Company, issuance of any instruments convertible into equity shares or restructuring of their respective equity share capital including by way of consolidation, share split, issue of bonus shares, qualified institutional placement or other similar action, as per applicable laws, that occurs after the date of approval of the Scheme by the respective Boards and before issuance of shares to the shareholders of the Demerged Company pursuant to Clause 31.1 below, the Share Entitlement Ratio will be appropriately adjusted to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares. Notwithstanding anything contained in Clause 38.1, any modifications/ amendments or additions/deletions to the Scheme as may be required to give effect to this Clause, shall be made with the approval of the respective Boards of each of GIL and GPUIL. The aforesaid powers of GIL and GPUIL to give effect to the modification/ amendments to the Scheme may be exercised subject to the approval of NCLT or any other Appropriate Authorities as may be required under Applicable Law.
- 30.4. The equity shares to be issued and allotted by Resulting Company to the equity shareholders of Demerged Company shall be subject to the Scheme, the memorandum and articles of association of Resulting Company and applicable laws and shall rank *pari passu* in all respects with the then existing equity shares of Resulting Company.
- 30.5. Fractional entitlements, if any, by Resulting Company to the equity shareholders of Demerged Company at the time of issue and allotment of equity shares under Clause 30.1 above shall be consolidated and shall be dealt with as mentioned in Clause 30.6 below.
- 30.6. After giving effect to Clause 30.2 above, at the time of issue and allotment of equity shares, the Board of Resulting Company shall consolidate all fractional entitlements, and allot equity shares in lieu thereof to a corporate trustee or such other authorized representative(s) as the Board of Resulting Company shall appoint in this behalf, who shall hold the equity shares issued in Resulting Company, in trust on behalf of the equity shareholders entitled to fractional entitlements with the express understanding that such corporate trustee or other authorized representative(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to Resulting Company, the net sale proceeds thereof, whereupon Resulting Company shall distribute such net sale proceeds (after deduction of applicable taxes, if any), to the equity shareholders in proportion to their respective fractional entitlements. The Board of Resulting Company, if it deems necessary, in the interests of allottees, approve such other method in this behalf as it may, in its absolute discretion, deem fit.



- 30.7. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Demerged Company, the Board of Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in Demerged Company, after the effectiveness of this Scheme. The Board of the Demerged Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in Demerged Company on account of difficulties faced in the transaction period.
- 30.8. Without prejudice to the generality of Clause 30.1 above, the Board of the Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned Appropriate Authority and undertake necessary compliance for the issue and allotment of equity shares to the members of Demerged Company pursuant to Clause 30.1 of the Scheme.
- 30.9. The equity shares to be issued by Resulting Company, pursuant to Clause 30.1 above, in respect of any equity shares of Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of NCLT or otherwise, be held in abeyance by Resulting Company.
- 30.10. Approval of this Scheme by the equity shareholders of Resulting Company shall be deemed to be the due compliance of the provisions of Section 13, Section 14, Section 42, Section 62 and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of the equity shares by Resulting Company to the equity shareholders of Demerged Company as on the Record Date, as provided in this Scheme.
- 30.11. The equity shares to be issued by Resulting Company to the members of Demerged Company pursuant to Clause 30.1 of this Scheme will be listed and/ or admitted to trading on the Stock Exchanges on which shares of Demerged Company are listed on the Effective Date. The Resulting Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the applicable laws or regulations for Resulting Company to comply with the formalities and requirements of the said Stock Exchanges. The equity shares of Resulting Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchange. There shall be no change in the shareholding pattern or control in Resulting Company between the Record Date in terms of the Scheme and the listing which may affect the status of approvals received from the Stock Exchange.
- 30.12. The equity shares of the Resulting Company to be issued pursuant to or as a result of this Scheme have not been, and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) of the Securities Act (the "Section 3(a)(10) Exemption"). The sanction of the NCLT to this Scheme will be relied upon by the Resulting Company for the purpose of qualifying the



issuance and distribution of its equity shares pursuant to or as a result of this Scheme and the Section 3(a)(10) Exemption. For purposes of ensuring that the Scheme complies with the requirements of Section 3(a)(10) Exemption, the Demerged Company and the Resulting Company undertake that:

- (a) the shareholders of the Demerged Company, as against their equity shares in the Demerged Company and the Demerger, shall receive the equity shares of the Resulting Company and shall not receive cash or other consideration; and
- (b) the Scheme shall become effective only after it has received sanction of the NCLT following the hearings by the NCLT.

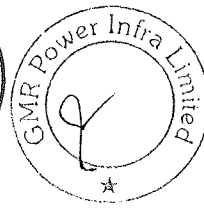
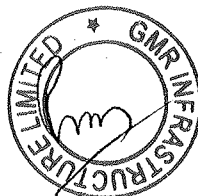
### 31. ACCOUNTING TREATMENT

#### **In the books of the Demerged Company**

31.1. In accordance with the applicable accounting standards, the Act and generally accepted accounting principles in India, the Demerged Company shall provide the following accounting treatment in its books of account:

31.2. On the Scheme becoming effective, all the assets and liabilities pertaining to Demerged Undertaking (difference between the assets and liabilities hereinafter referred to as "Net assets"), shall cease to be the assets and liabilities of the Demerged Company and be transferred to the Resulting Company at the carrying value in accordance with the Scheme. Accordingly, such Net assets would be de-recognized in the books of the Demerged Company with effect from the Effective Date.

- (a) The Demerged Company shall adjust the difference between the carrying value of assets and liabilities to its reserves in the following order:
  - (i) adjustments shall be first made to de-recognize specific reserve balances pertaining to the Demerged Undertaking, to the extent identifiable;
  - (ii) after taking effect of (a) above, in case of:
    - (A) unadjusted debits, adjustments shall be made as follows:
      - 1) to securities premium account, to the extent of balance therein; and then
      - 2) to retained earnings.
    - (B) unadjusted credits, adjustments shall be recognized as capital reserve account.
- (b) The adjustment/utilization of the securities premium, if any, as stated in the Clause 31.1(b)(i)(1) above and reduction thereof will be effected as a part of the Scheme, in accordance with Section 52 of the Act and the sanction order to this Scheme by



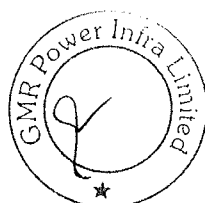
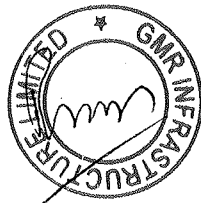
the NCLT shall be deemed to be also the order under the applicable provisions of the Act, for confirming the utilization /reduction of securities premium account. The reduction in the securities premium account of the Demerged Company, shall be effected as an integral part of the Scheme, without any further act, instrument or deed on the part of the Demerged Company or its shareholders and without any approval or acknowledgement of any third party, and provisions of Section 66 of the Act shall not be required to be followed for such reduction. It is expressly clarified that the consent of the shareholders and the creditors of the Demerged Company to the Scheme shall be deemed to be sufficient for the purpose of effecting the above reduction of the securities premium account of the Demerged Company.

- (c) All costs and expenses incurred in connection with the Scheme and to put it into operation and any other expenses or charges attributable to the implementation of the Scheme shall be debited to the statement of profit and loss of the Demerged Company;
- (d) Notwithstanding the above, the Board of the Demerged Company is authorised to account any of the balances for any amendments/ clarifications to the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, and in accordance with the other generally accepted accounting principles in India.

#### **In the books of the Resulting Company**

31.3. In accordance with the applicable accounting standards, the Act and generally accepted accounting principles in India, the Resulting Company shall provide the following accounting treatment in its books of accounts

- A. On the Scheme becoming effective , the Resulting Company shall account for the Demerger as common control business combination in accordance with the “Pooling of Interest method”, as per Appendix C of Ind-AS 103 ‘Business combinations” notified under the provisions of the Act read with relevant rules framed thereunder and other applicable accounting standards prescribed under the Act.
- B. The assets and liabilities pertaining to Demerged Undertaking, transferred to the Resulting Company under the Scheme shall be recorded in the books of the Resulting Company at the values and in the same form as recorded in the books of Demerged Company subject to consistent accounting policies.
- C. The reserves adjusted by the Demerged Company shall appear in the financial statements of the Resulting Company in the same form in which they appeared in the financial statements of the Demerged Company. The difference, if any, between the amount recorded as share capital issued, reserves transferred in the aforementioned manner and the assets and liabilities transferred by the Demerged Company to the Resulting Company shall be transferred to capital reserve and shall be presented



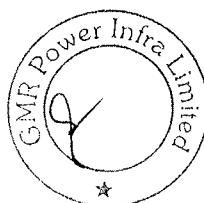
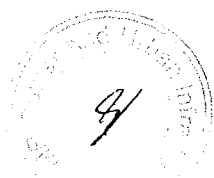
separately from other capital reserves with disclosure of its nature and purpose in the notes.

- D. The consideration issued to the shareholders of the Demerged Company in the form of equity shares of the Resulting Company shall be credited to the share capital account at the nominal value of the equity shares issued by it.
- E. If and to the extent there are inter-corporate loans, deposits or balances as between the Resulting Company and Demerged Company, the obligations in respect thereof shall, stand cancelled and there shall be no obligation/rights in that behalf.
- F. The financial information in the financial statements in respect of prior periods shall be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if common control had occurred after that date, the prior period information shall be restated only from that date.
- G. Upon the Scheme coming into effect, all equity shares of the Resulting Company held by the Demerged Company (directly and/ 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 or in kind whatsoever by the Resulting Company to the Demerged Company in lieu of such shares of the Resulting Company. For avoidance of doubt, it is clarified that the reduction of share capital of Resulting Company pursuant to such cancellation shall be effected as an integral part of this Scheme and Section 66 of the Act shall not apply to the Resulting Company to effectuate such reduction of capital.

### **32. CONDUCT OF DEMERGED UNDERTAKING OF DEMERGED COMPANY TILL THE EFFECTIVE DATE**

With effect from the date of approval of this Scheme by the respective Boards and up to and including the Effective Date:

- 32.1. The Demerged Company shall be deemed to have been carrying on and shall carry on its business and activities relating to the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its estates, properties, rights, title, interest, authorities, contracts and investments and assets forming part of the Demerged Undertaking for and on account of and in trust for Resulting Company.
- 32.2. Demerged Company undertakes that it will preserve and carry on the business of the Demerged Undertaking and hold its said assets with reasonable diligence and business prudence and shall not undertake financial commitments in respect of, or sell, transfer, alienate, charge, mortgage, or encumber, the Demerged Undertaking or any part thereof or recruit new employees or conclude settlements with union or employees without the concurrence of Resulting Company or undertake substantial expansion or change the general character or nature of the business of the Demerged Undertaking or any part thereof save and except in each case:



- (a) if the same is in its ordinary course of business;
- (b) if the same is expressly permitted by this Scheme; or
- (c) if the prior written consent of the Resulting Company has been obtained.

32.3. All the profits or income accruing or arising to Demerged Company and expenditure or losses arising or incurred or suffered by Demerged Company which form part of Demerged Undertaking, for the period commencing from the Appointed Date shall, for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of Resulting Company, except for profits or income accruing to the Retained Business of Demerged Company.

32.4. Any of the rights, powers, authorities or privileges attached, related or forming part of the Demerged Undertaking, exercised by Demerged Company shall be deemed to have been exercised by Demerged Company for and on behalf of, and in trust for Resulting Company. Similarly, any of the obligations, duties and commitments attached, related or forming part of the Demerged Undertaking that have been undertaken or discharged by Demerged Company shall be deemed to have been undertaken/ discharged for and on behalf of Resulting Company.

32.5. Demerged Company and Resulting Company shall be entitled, pending sanction of the Scheme, to apply to the Central/ State Government and all other Appropriate Authorities concerned as are necessary under any Applicable Law or rules for such consents, approvals and sanctions, which may be required pursuant to this Scheme.

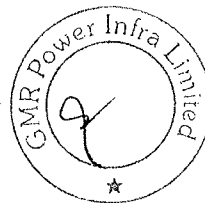
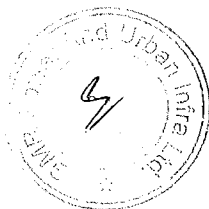
32.6. Demerged Company shall not vary the terms and conditions of employment of any of the employees in relation to the Demerged Undertaking except in the ordinary course of business or with the prior written consent of Resulting Company.

32.7. With effect from the Effective Date, Resulting Company shall commence and carry on and shall be authorized to carry on the Urban Infrastructure Business and EPC Business which was earlier carried on by Demerged Company.

32.8. In the event of any increase in the issued, subscribed or paid up share capital of the Demerged Company or the Resulting Company, issuance of any instruments convertible into equity shares or restructuring of their respective equity share capital including by way of consolidation, share split, issue of bonus shares, or other similar action, that occurs before the issuance of equity shares of the Resulting Company pursuant to Clause 30 above, the Share Entitlement Ratio, may be appropriately adjusted to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.

### 33. RETAINED BUSINESS OF DEMERGED COMPANY

33.1. The Retained Business of Demerged Company and all the assets, properties, rights, liabilities and obligations pertaining thereto shall continue to belong to and be vested in



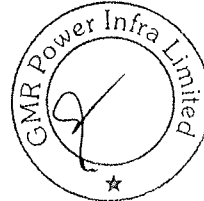


and be managed by Demerged Company, and Resulting Company shall have no right, claim or obligation in relation to the Retained Business of Demerged Company.

33.2. All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against Demerged Company under any statute, whether relating to the period prior to or after the Appointed Date and whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Retained Business of Demerged Company (including those relating to any property, right, power, liability, obligation or duty of Demerged Company in respect of the Retained Business of Demerged Company and any income tax related liabilities) shall be continued and enforced by or against Demerged Company even after the Effective Date.

33.3. Up to and including the Effective Date:

- (a) Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Retained Business of Demerged Company for and on its own behalf;
- (b) all profits accruing to Demerged Company or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Retained Business of Demerged Company shall, for all purposes, be treated as the profits or losses, as the case may be, of Demerged Company; and
- (c) all assets and properties acquired by Demerged Company in relation to the respective Retained Business of Demerged Company on and after the Appointed Date shall belong to and continue to remain vested in Demerged Company.



## PART E – GENERAL TERMS AND CONDITIONS

### **34. AMENDMENT TO MEMORANDUM OF ASSOCIATION OF GIL**

- 34.1. As an integral part of the Scheme, upon the coming into effect of the Scheme, pursuant to the Amalgamation and the Demerger, the authorised share capital of GIL shall automatically stand altered, without any further act, instrument or deed on the part of GIL including payment of stamp duty and fees payable to the ROC, such that upon the effectiveness of the Scheme, the authorised share capital of GIL shall be Rs. 1455,00,00,000 (Rupees One Thousand Four Hundred and Fifty Five Crores) comprising of 1355,00,00,000 (One Thousand Three Hundred Fifty Five Crores) equity shares of Re. 1 (Rupee One only) each and 10,00,000 (ten lakhs) preference shares of Rs. 1,000 (Rupees One Thousand only) each, without any further act, deed, resolution, instrument or writing. The share capital clause of the Memorandum of Association of GIL shall, upon the coming into effect of this Scheme and without any further act, deed, instrument, resolution or writing be replaced by the following clause:

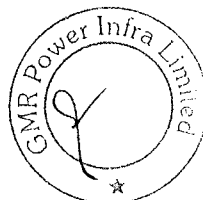
#### **MEMORANDUM OF ASSOCIATION**

*“The Authorised Share Capital of the Company is Rs. 1455,00,00,000 divided into 1355,00,00,000 equity shares of Re. 1/- (Rupee one only) each and 10,00,000 (Ten lakhs) preference shares of Rs. 1,000 (Rupees One Thousand only) each, with power to the Board of Directors (Board) to increase or reduce its capital and to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions and restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, or abrogate any such rights, privileges, conditions, or restrictions in such manner as may for the time being be permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf.”*

- 34.2. It is hereby clarified that for the purposes of this clause, the consent of the shareholders of GIL to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment in the authorised share capital of GIL, and no further resolution under Sections 13, 14, 42, 61, 62 and 64 of the Act or any other applicable provisions of the Act, would be required to be separately passed. The stamp duties and fees (including registration fee) paid on the authorised share capital of the Amalgamating Company, if any, shall be utilized and applied to the altered authorised share capital of the Amalgamated Company and there would be no requirement for any further payment of stamp duty and/or fee by the Amalgamated Company for the alteration in the authorised share capital to that extent.

### **35. AMENDMENT TO MEMORANDUM OF ASSOCIATION OF GPUIL**

- 35.1. Upon coming into effect of the Scheme, to accommodate the issue and allotment of equity shares of the Resulting Company to the shareholders of the Demerged Company, as more specifically provided in Clause 30.1, which would result in increase in its paid



up share capital, the authorized equity share capital of the Resulting Company shall be adequately increased by transferring from the authorized share capital of the Demerged Company, an amount of Rs. 500,00,00,000 (Rupees Five Hundred Crores only) to the authorized share capital of the Resulting Company as an integral part of the Scheme. Consequently, upon the Scheme becoming effective, the authorized share capital of the Resulting Company set out in Clause 9.3 of the Scheme hereinabove shall stand increased to Rs. 550,00,00,000 (Rupees Five Hundred and Fifty Crores only) divided into 110,00,00,000 (One Hundred Ten Crores) equity shares of face value of Rs. 5 (Rupees Five only) each, without any further act, instrument or deed by the Resulting Company, pursuant to Scheme becoming effective.

- 35.2. The capital clause of the Memorandum of Association of the Resulting Company shall, upon the coming into effect of this Scheme and without any further act, deed, instrument, resolution or writing be replaced by the following clause:

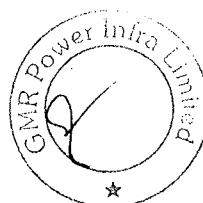
*“The Authorised Share Capital of the Company is Rs. 550,00,00,000 divided into 110,00,00,000 equity shares of Rs. 5 each with power to the Board of Directors (Board) to increase or reduce its capital and to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions and restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, or abrogate any such rights, privileges, conditions, or restrictions in such manner as may for the time being be permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf.”*

- 35.3. It is hereby clarified that for the purposes of this clause, the consent of the shareholders of the Resulting Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment or increase in authorised share capital of the Resulting Company, and no further resolution under Sections 13, 14, 42, 61, 62 and 64 of the Act or any other applicable provisions of the Act, would be required to be separately passed.

### **36. CHANGE IN CAPITAL STRUCTURE OF GIL OR GPUIL**

- 36.1. Subject to Clauses 30.3 and 32.8, and without prejudice to the generality of this Scheme, during the period between the date of approval of the Scheme by the respective Boards and upto and including the date of allotment of shares pursuant to this Scheme, none of GIL or GPUIL shall make any change in its capital structure, whether by way of increase (including by issue of equity shares on a rights basis, issue of bonus shares, further issue through qualified institutional placement) decrease, reduction, reclassification, subdivision or consolidation, re-organisation of share capital, or in any other manner which may, in any way, affect the Share Entitlement Ratio and issuance of shares as per Clauses 30, except under any of the following circumstances:

- (a) by mutual written consent of the respective Boards or respective committees of the Boards or by persons authorized by the respective Boards, of GIL and GPUIL; or



- (b) as may be expressly permitted under this Scheme (including as permitted in Clauses 30.3 and 32.8).

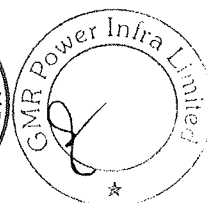
It being clarified that GIL shall not be restricted under this clause to make any change in its capital structure, whether by way of increase (including by issue of equity shares on a rights basis, issue of bonus shares, further issue through qualified institutional placement) decrease, reduction, reclassification, sub-division or consolidation, re-organisation of share capital, or in any other manner which does not affect the Share Entitlement Ratio and issuance of shares as per Clauses 30.

### **37. APPLICATION TO NCLT AT MUMBAI**

- 37.1. GIL, GPIL and GPUIL shall dispatch, make and file all necessary applications and petitions to NCLT for sanctioning this Scheme under Sections 230 to 232 and other applicable provisions of the Act, for sanction of the Scheme under the provisions of Applicable Law and obtain such other approvals, as required by law.
- 37.2. The Companies shall be entitled, pending the effectiveness of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals, as agreed between the Companies, which the Companies may require to effect the transactions contemplated under the Scheme to carry on the Demerger of Demerged Undertaking and the Amalgamation of Amalgamating Company into the Amalgamated Company in any case subject to the terms as may be mutually agreed between the Companies.

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

- 38.1. Any modifications/ amendments or additions/deletions to the Scheme may only be made with the approval of the respective Boards of each of GIL, GPIL and GPUIL. The aforesaid powers of GIL, GPIL and GPUIL to give effect to the modification/ amendments to the Scheme may be exercised subject to the approval of NCLT or any other Appropriate Authorities as may be required under Applicable Law.
- 38.2. The Companies agree that if, at any time, either of the NCLT or any Appropriate Authority directs or requires any modification or amendment of the Scheme, such modification or amendment shall not, to the extent it adversely affects the interests of GIL, GPIL and GPUIL, be binding on GIL, GPIL and GPUIL, as the case may be, except where the prior written consent of the affected party, i.e., GIL, GPIL and GPUIL, as the case may be, has been obtained for such modification or amendment, which consent shall not be unreasonably withheld by GIL, GPIL and GPUIL, as the case may be.
- 38.3. Each Company (acting through its Board) may, in their full and absolute discretion, jointly and as mutually agreed in writing, jointly modify, vary or withdraw this Scheme or any part thereof prior to the Effective Date in any manner at any time, provided that any modification to the Scheme by the Companies, after receipt of sanction by the NCLT, shall be made only with the prior approval of the NCLT.



38.4. GIL and GPUIL (through their respective Boards) shall determine jointly whether any asset, liability, employee, legal or other proceedings form part of the Demerged Undertaking or not, on the basis of any evidence that they may deem relevant for this purpose.

#### 39. DIVIDENDS

39.1. The Companies 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.

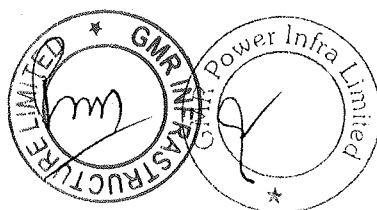
39.2. Prior to the effectiveness of the Scheme, the holders of the shares of the Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.

39.3. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Companies 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 such Company, and subject to the approval, if required, of the shareholders of such Company.

#### 40. CONDITIONALITY OF THE SCHEME

40.1. This Scheme is and shall be conditional upon and subject to

- (a) the Scheme being approved by the respective requisite majorities of the various classes of shareholders and/ or creditors (wherever applicable) of GIL and GPUIL as required under the Act and Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 on Schemes of Arrangement by Listed Entities and Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 issued by the Securities and Exchange Board of India and as amended from time to time (“SEBI Scheme Circular”) or as may be directed by the NCLT;
- (b) receipt of approvals of the Stock Exchanges where the equity shares of GIL are listed and traded and SEBI in terms of SEBI Scheme Circular;
- (c) the fulfilment, satisfaction or waiver (as the case may be) of any approvals from third parties mutually agreed by the Companies as being required for completion of the transaction, as may be mutually agreed between the Companies;
- (d) the Scheme being sanctioned by the NCLT in terms of Sections 230 to Section 232 and other relevant provisions of the Act;
- (e) the certified copies of the sanction order(s) of NCLT approving this Scheme being filed with the jurisdictional ROC; and



(f) such other approvals and sanctions including sanction of any Appropriate Authority as may be required by law or contract in respect of the Scheme;

40.2. Each part in Section of the Scheme shall be given effect to as per the chronology in which it has been provided for in the Scheme. However, failure of any one part of one Section for lack of necessary approval from the shareholders / creditors / statutory regulatory authorities shall not result in the whole Scheme failing. It shall be open to the concerned Board to consent to severing such part(s) of the Scheme and implement the rest of the Scheme as approved by the NCLT with such modification.

#### 41. RESOLUTIONS

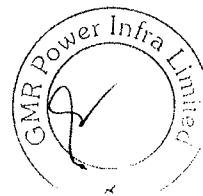
41.1. Upon the coming into effect of the Scheme, the resolutions, if any, of the Amalgamating Company relating to any powers to borrow, make investments, give loans, give guarantees, etc. approved under the provisions of the Act or any other applicable statutory provisions, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Amalgamated Company and the amounts under such resolutions shall be added to the amounts under like resolutions passed by the Amalgamated Company or shall become the amounts available to the Amalgamated Company as if the resolutions were passed by the Amalgamated Company.

41.2. It is clarified that the consent of the members of the Companies to the Scheme shall be deemed to be sufficient for the purposes of effecting the transactions contemplated under the Scheme, and no further resolution under any other applicable provisions of the Act, including Section 188 of the Act, would be required to be separately passed.

#### 42. EFFECT OF NON-RECEIPT OF APPROVALS

42.1. In the event of any of the said sanctions and approvals referred to in Clause 40 not being obtained (or to the extent permissible under Applicable Law, waived) and/ or the Scheme not being sanctioned by NCLT or such other competent authority and/ or the sanction order(s) not being passed by the NCLT as aforesaid before December 31, 2021 (“**Long Stop Date**”) or such other date as may be agreed upon in writing among GPIL, GIL and GPUIL by their respective Boards, any of the Companies may opt to terminate this Scheme and the Scheme shall stand revoked, cancelled and be of no effect and any of the Companies, if required, may file appropriate proceedings before the NCLT in this respect. Provided that the right to terminate this Scheme shall not be available to GPIL if its failure to fulfil any obligation under this Scheme or the ancillary documents shall have been the cause of, or shall have resulted in, the failure of the Effective Date to occur on or prior to the Long Stop Date.

42.2. Upon the termination of this Scheme as set out in Clause 42.1 above, no rights and liabilities shall accrue to or be incurred by respective Companies or their shareholders or creditors or employees or any other person. In such case, each Company shall bear its own costs and expenses or as may be otherwise mutually agreed.



### 43. REMOVAL OF DIFFICULTIES

43.1. GIL, GPIL and GPUIL through mutual consent and acting through their respective Boards, jointly and as mutually agreed in writing may:

- (a) give such directions (acting jointly) and agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions arising under this Scheme, whether by reason of any orders of NCLT or of any directive or orders of any Appropriate Authority, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/ or matters concerning or connected therewith or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those to the extent permissible under Applicable Law; and
- (b) do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

43.2. In case of any question that may arise as to whether a specific asset or liability or employee pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking, the same shall be decided by a mutual agreement between the Board (or any committee constituted by the Board to deal with the matters in relation to the Scheme) of GIL and GPUIL.

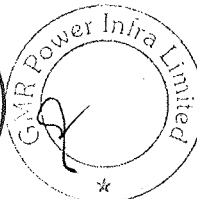
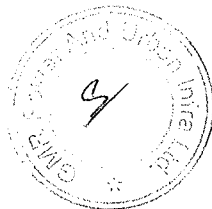
### 44. RESIDUAL PROVISIONS

44.1. GIL, and GPUIL shall be entitled to file/ revise its respective income tax returns, TDS certificates, TDS returns, wealth tax returns, goods and services tax returns and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, credit of tax deducted at source, credit of foreign taxes paid/ withheld, MAT credit entitlement, etc., if any, as may be required consequent to implementation of this Scheme.

44.2. Upon this Scheme becoming effective, the accounts of the Companies, as on the Appointed Date shall be reconstructed in accordance with the terms of this Scheme.

### 45. WRONG POCKET ASSETS

45.1. If any part of Demerged Undertaking is not transferred to the GPUIL on the Effective Date pursuant to Demerger, GIL shall take such actions as may be reasonably required to ensure that such part of the Demerged Undertaking is transferred to GPUIL promptly and for no further consideration. GPUIL shall bear all costs and expenses as may be incurred by GIL, subject to the prior written consent of GPUIL, for giving effect to this Clause.



45.2. If GIL realizes any amounts after the Effective Date that form part of the Demerged Undertaking it shall immediately make payment of such amounts to GPUIL. It is clarified that all receivables relating to the Demerged Undertaking, for the period prior to the Effective Date, but received after the Effective Date, relate to the Demerged Undertaking shall be paid to GPUIL for no additional consideration. If GPUIL realizes any amounts after the Effective Date that pertains to the Airport Business of GIL, GPUIL shall immediately pay such amounts to GIL.

**46. SEVERABILITY**

46.1. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Companies in writing, affect the validity or implementation of the other parts and/or provisions of this Scheme.

46.2. Subject to Clause 46.1 above, if any part of this Scheme is found to be unworkable or unenforceable for any reason whatsoever, the same shall not, subject to the decision of the respective Boards of GIL, GPIL and GPUIL, affect the validity or implementation of the other parts and/ or provisions of this Scheme.

**47. COSTS, CHARGES & EXPENSES**

47.1. Subject to the provisions of Clause 45 of this Scheme, GIL shall bear all costs, charges, expenses, stamp duty, registration charges and other transfer charges in relation to or in connection with or incidental to the Amalgamation and the Demerger.

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