

**SCHEME OF AMALGAMATION
(By Absorption)**

**UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 AND
OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND
RULES FRAMED THEREUNDER**

OF

**STERLING & WILSON – WAAREE PRIVATE LIMITED
(TRANSFEROR COMPANY)**

AND

**STERLING AND WILSON SOLAR LIMITED
(TRANSFeree COMPANY)**

AND

THEIR RESPECTIVE SHAREHOLDERS

A. PREAMBLE AND PURPOSE OF THE SCHEME

1. This Scheme of Amalgamation (by Absorption) (herein after referred to as the "**Scheme**") is presented for the amalgamation of Sterling & Wilson – Waaree Private Limited ("**SW WAAREE**" or "**Transferor Company**") with Sterling and Wilson Solar Limited ("**SW SOLAR**" or "**Transferee Company**"), pursuant to provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and other rules and regulations made thereunder.
2. This Scheme seeks to amalgamate and consolidate the business of SW Waree with that of SW Solar, being 100% holding Company of SW Waree. The Board of Directors of SW Waree and SW Solar have resolved that the merger by way of absorption of SW Waree with and into SW Solar would be in the interests of all the stakeholders of the SW Waree as well as SW Solar, as it would result in increased operational efficiencies, bring economies of scale and result in synergetic integration of businesses presently being carried on by each entity independently.
3. As on 15 March 2020, SW Solar holds the entire share capital of SW Waree.
4. This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

B. DESCRIPTION OF THE COMPANIES

1. Sterling & Wilson – Waaree Private Limited incorporated on December 16, 2016 under the provisions of the Companies Act, 2013 is a private limited company, limited by shares, bearing Corporate Identity No. U93000MH2016PTC288571 and having its registered office at 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur (West), Mumbai 400043 and is inter alia engaged in the business of Design, Engineer, Supply, Erect, Commission, Operate, Maintain – solar power plant, repair, accessories, components, spare parts thereof and provide renewable energy solutions, both in India and abroad. The PAN of SW Waree is AAXCS9584K and email id of its authorised representative is bahadur.dastoor@sterlingwilson.com.

2. Sterling and Wilson Solar Limited was incorporated as a private limited company in the state of Maharashtra on March 09, 2017 as 'Rashmika Energy Private Limited'. The name of the transferee company was changed to 'Sterling and Wilson Solar Private Limited' on April 24, 2018. Vide certificate dated January 25, 2019, the name of the company was subsequently changed to 'Sterling and Wilson Solar Limited' on conversion from private limited company to public limited company pursuant to section 18 of the Companies Act, 2013. The Company, limited by shares, is listed on the Bombay Stock Exchange and the National Stock Exchange, bearing Corporate Identity No. U74999MH2017PLC292281 and having its registered office at 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur (West), Mumbai 400043 and is, inter alia, engaged in setting up of green field Solar Plants of various sizes, envisaging, identifying and acquiring and selling suitable land, developing the site for Solar Parks; design, engineer, supply erect, commission and, or operate and maintain the plants, accessories, components, spare parts thereof and provide renewable energy solutions; Sell or otherwise dispose of part or whole of the Solar Plants, both in India and abroad. The PAN of SW Solar is AAICR1703J and email id of its authorised representative is jagannadha.rao@sterlingwilson.com.

C. RATIONALE

SW WAAREE - a wholly owned subsidiary of SW SOLAR, was set up as a special purpose vehicle for execution of 9 MW project in Niger awarded by the Ministry of Energy and Petroleum, Niger ("said project"). The Board of Directors of SW SOLAR, at its meeting held on March 27, 2019, had approved that on completion of all activities pertaining to the said project, SW WAAREE be merged with SWSOLAR with the prior approval of, inter alia, the Board of Directors of SW Solar and SW Waree at the relevant point in time. The Board of Directors of SW WAAREE with SW SOLAR believe that the amalgamation would have the following benefits:

- i. The Transferor and Transferee Company are engaged in the similar line of business. The resources available with both the companies could be pooled together and the Transferee Company will be able to effectively utilize the same for the benefit of the Transferee Company on a larger scale.
- ii. Elimination of multiple entities.
- iii. Reducing the multiplicities of legal and regulatory compliances.
- iv. The operational costs will be reduced and the management will be able to operate and run the Transferee Company and the Transferor Company as a single unit more effectively and economically resulting in better turnover and profits.
- v. There will be operational synergy in terms of procurement benefits, common license and reduction of administrative work etc., for the Transferee Company.
- vi. Will lead to pooling of financial resources leading to more effective and centralized management of funds, greater economies of scale, stronger base for future growth.
- vii. The Transferee Company will have benefit of combined assets, man-power and cash flows of the both the companies.
- viii. It will improve and consolidate internal controls and functional integration at various levels of the organization such as information technology, human resources, finance, legal and general management leading to an efficient organization capable of responding swiftly to volatile and rapidly changing market scenarios.

The Scheme is in the interest of the shareholders, creditors, lenders and various other stakeholders of the respective companies. It is not prejudicial to the interests of shareholders, creditors, lenders and various other stakeholders of the respective companies.

D. GENERAL

This Scheme is divided into the following parts:

- (a) **Part I:** deals with definitions and interpretations, and sets out the share capital of the Transferor Company and the Transferee Company;
- (b) **Part II:** deals with the amalgamation of the Transferor Company with the Transferee Company; and
- (c) **Part III:** deals with general terms and conditions applicable to the Scheme.

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

The provisions of this Scheme have been drawn up to comply with the conditions relating to "Amalgamation" as defined under section 2(1B) of the Income Tax Act, 1961. If, at a later date, any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of section 2(1B) of the Income Tax Act, 1961, including as a result of an amendment of law or enactment of new legislation or any other reason whatsoever, the provisions of section 2(1B) of the Income Tax Act, 1961, or a corresponding provisions of any amended or newly enacted law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) of the Income Tax Act, 1961. Such modifications will, however, not affect the other provisions of the Scheme.

PART I

1. DEFINITIONS AND INTERPRETATIONS

- 1.1 In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:
- 1.2 "**1956 Act**" means the Companies Act, 1956 and the rules and regulations made there under, and includes any alterations, modifications, amendments made thereto;
- 1.3 "**2013 Act**" means the Companies Act, 2013 and the rules and regulations made there under, and includes any alterations, modifications, amendments made thereto and/or any reenactment thereof;
- 1.4 "**Amalgamation**" means merger by absorption of Transferor Company and Transferee Company in accordance with Sections 230 to 232 of the 2013 Act read with Section 2(1B) of the Income Tax Act, 1961, in terms of Part II of the Scheme;
- 1.5 "**Applicable Law**" means any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority in India, including any statutory modification or re-enactment thereof for the time being in force.
- 1.6 "**Appointed Date**" means April 01, 2020 or such other date as may be approved by NCLT or any other competent authority for the purposes of Amalgamation of SW Waree with and into SW Solar;

- 1.7 **"Appropriate Authority"** means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including but not limited to Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Competition Commission of India, National Company Law Tribunal (to be constituted under the Companies Act, 2013), Reserve Bank of India and the High Court(s).
- 1.8 **"Board"** or **"Board of Directors"** in relation to the Transferor Company and the Transferee Company, as the case may be means the Board of Directors of such company, and shall include a Committee of Directors or any person authorized by the Board or such committee of Directors duly constituted and authorized for the purposes of matters pertaining to this Scheme and/or any other matter relating thereto."
- 1.9 **"Effective Date"** means the last of the dates on which the conditions specified in Clause 17 are complied with. Any references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date.
- 1.10 **"Income Tax Act"** means the Income Tax Act, 1961, including any statutory modifications re-enactments or amendments thereof for the time being in force;
- 1.11 **"NCLT"** means the National Company Law Tribunal, Mumbai Bench as constituted and authorized as per the provisions of the 2013 Act for approving any scheme of arrangement, compromise or reconstruction of the companies under Section 230-232 of the 2013 Act;
- 1.12 **"Parties"** means the Transferor Company and the Transferee Company, collectively.
- 1.13 **"Party"** means the Transferor Company or the Transferee Company, individually.
- 1.14 ". <<Not required since no shares are issued by Transferee Co>>
- 1.15 **"Scheme" or "the Scheme" or "this Scheme"** means this scheme of amalgamation in its present form or as modified by an agreement between the Parties, submitted to the NCLT or any other appropriate Authority in the relevant jurisdictions with any modification thereof as the High Court(s) or any other Appropriate Authority may direct.
- 1.16 **"Taxation" or "Tax" or "Taxes"** means all forms of taxes and statutory, governmental, state, provincial, local government or municipal impositions, duties, contribution and levies and whether levied by reference to income, profit, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to SW Solar and SW Waree, as the case may be or any other person and all penalties , charges, costs and interest relating thereto.
- 1.17 **"Tax Laws"** means all the applicable laws, acts, rules and regulations dealing with Taxes including but not limited to the any tax liability under the Income-tax Act, 1961, Customs Act 1962, Central Excise Act, 1944, Goods and Services Tax Act, 2017, State Value Added Tax laws, Central Sales Tax Act, 1956 or other applicable laws/ regulations dealing with taxes/ duties/ levies of similar nature.

- 1.18 **"Transferor Company" or "Amalgamating Company"** means Sterling & Wilson – Waaree Private Limited, incorporated on December 16, 2016 under the provisions of the Companies Act, 2013 is a private limited company, limited by shares, bearing Corporate Identity No. U93000MH2016PTC288571 and having its registered office at 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur (West), Mumbai 400043.
- 1.19 **"Transferee Company" or "Amalgamated Company"** means Sterling and Wilson Solar Limited, incorporated on March 01, 2017 under the provisions of the Companies Act, 2013, is a public listed limited company, limited by shares, bearing Corporate Identity No. U74999MH2017PLC292281 and having its registered office at 9th Floor, Universal Majestic, P. L. Lokhande Marg, Chembur (West), Mumbai 400043.
- 1.20 **"Undertaking"** shall mean and include the whole of the undertaking of the Transferor Company, as a going concern, including their businesses, all secured and unsecured debts, liabilities, duties and obligations and all the assets, properties, rights, titles and benefits, whether movable or immovable, real or personal, in possession or reversion, corporeal or in corporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, vehicles, fixed assets, work-in-progress, current assets, investments, reserves, provisions, funds, licenses, registrations, copyrights, patents, trade names, trademarks and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, pre-qualifications, track record, experience, goodwill and all other rights, leases, licenses, tenancy rights, premises, ownership flats, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, internet connections, communication facilities, equipment and installations and utilities, electricity, water and other service connection, benefit of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to credits in respect of income tax, sales tax, goods and service tax, value added tax, octroi, excise duty, turnover tax, service tax, MAT etc.), software license, Domain / Websites etc. in connection / relating to the Transferor Company and other claims and powers, of whatsoever nature and wheresoever situated by the Transferor Company, as on the Appointed Date.
- 1.21 In this Scheme, unless the context otherwise requires:
- 1.20.1 Words denoting singular shall include plural and vice versa;
- 1.20.2 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- 1.20.3 references to the word "include" or "including" shall be construed without limitation;
- 1.20.4 a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- 1.20.5 unless otherwise defined, the reference to the word "days" shall mean calendar days;
- 1.20.6 references to dates and times shall be construed to be references to Indian dates and times;
- 1.20.7 reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- 1.20.8 word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them under the 1956 Act or 2013 Act or any other Applicable Law; and
- 1.20.9 references to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality).

2. SHARE CAPITAL

2.1 The share capital of Transferor Company, as on 15 March 2020 is as under:

A	Authorised Share Capital	Rs.
	50 Equity Class A Shares of Rs. 1,000 each with voting rights	50,000
	50 Equity Class B Share of Rs. 1,000 each with differential voting rights	50,000
	Total	1,00,000
B	Issued Subscribed and fully Paid up	
	49 Equity Shares of Rs. 1,000 each with voting rights	49,000
	Total	49,000

2.2 The share capital of the Transferee Company, as on December 31, 2019 is as under:

A	Authorised Share Capital	Rs.
	50,00,00,000 Equity Shares of Re. 1/- each	50,00,00,000
	10,00,000 Preference Shares of Rs. 100/- each	1,00,000,000
	Total	60,00,00,000
B	Issued, Subscribed and fully Paid up	
	1,60,360,000 Equity Shares of Re. 1/- each	1,60,360,000
	Total	1,60,360,000

Subsequent to above, there has been no change in the issued, subscribed and paid up capital of SW Solar.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme as set out herein in its present form or with any modification(s), as may be approved or imposed or directed by the NCLT, shall become effective from the Appointed Date as defined under Section 232 (6) of the Act but shall become operative from the Effective Date. Any references in the Scheme to 'upon the Scheme becoming effective' or 'effectiveness of the Scheme' or 'upon coming into effect of this Scheme' shall mean the Effective Date.

PART II

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY

4. TRANSFER AND VESTING OF UNDERTAKING

4.1 Upon the Scheme being effective and subject to the provisions of this Scheme, the transfer and vesting of the entire Undertaking of the Transferor Company shall, pursuant to the sanction of the Scheme by the NCLT under the provisions of Sections 230 to 232 of the 2013 Act and other provisions of the 2013 Act, as applicable without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company as a going concern basis so as to become, on and from the Appointed Date, the estate, assets, rights, title, interest and authorities of the Transferee Company, subject however, to all charges, liens, mortgages, affecting the same or any part thereof, provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of amalgamation and the Transferee Company shall not be obliged to create any further or

additional security therefore after coming into effect of this Scheme or otherwise except in case where the required security has not been created and in such case if the terms thereof require, the Transferee Company will create the security in terms of the scheme of arrangement in relation thereto.

- 4.2 With respect to the assets of the Undertaking of the Transferor Company that are movable in nature or are otherwise capable of being transferred by manual/physical delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the Transferor Company, and shall, upon such transfer, become the property, estate, assets, rights, title, interest and authorities of the Transferee Company as an integral part of its Undertaking on and from the Appointed Date.
- 4.3 With respect to the assets of the Undertaking of the Transferor Company other than those referred to in clause 4.2 above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company on the Appointed Date pursuant to the provisions of the 2013 Act. It is hereby clarified that all the investments made by the Transferor Company and all the rights, title and interests of the Transferor Company in any freehold, leasehold properties in relation to the Undertaking of the Transferor Company shall without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company.
- 4.4 All the intellectual property rights of any nature whatsoever, including but not limited to intangible assets appertaining to the Transferor Company, whether or not provided in books of accounts of the Transferor Company, shall under the provisions of Sections 230 to 232 of the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Transferee Company.
- 4.5 All intangible assets including various business or commercial rights, pre-qualification for past projects / sales, customer-base, etc. belonging to but not recorded in books of the Transferor Company shall be transferred to and vested with the Transferee Company and shall include all letters of intent, request for proposal, prequalification, permits, registrations, bid acceptances, tenders, technical experience (including experience in executing projects), goodwill earned in execution of the projects, technical know-how, contracts, deeds, memorandum of understanding, bonds, agreements, track record and all other rights claims, powers in relation to or enjoyed by or granted in favour of the Demerged Company, and the historical financial strength including turnover, profitability, performance, market share, net-worth, liquid/ current assets and reserves of the previous years of SW Waree and all empanelments, accreditations, recognitions as approved vendors for undertaking any jobs;
- 4.6 All taxes (including but not limited to advance tax, tax deducted at source, tax collected at source, minimum alternate tax credits, securities transaction tax, taxes withheld/paid in a foreign country, Value Added Tax, Sales Tax, Service Tax, Excise Duty, Goods and Service Tax, etc.) payable by or refundable to or being the entitlement of the Transferor Company, including all and any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, waivers, credits, tax holidays, remissions, reductions, as would have been available to the Transferor Company, shall pursuant to this Scheme becoming effective, be available to the Transferee Company. Benefit of tax losses including brought forward business loss, unabsorbed depreciation, etc., up to Appointed Date, shall be available to the Transferee Company w.e.f. from Appointed Date.

- 4.7 The Transferee Company shall be entitled to claim refunds or credits, including Input Tax Credits, with respect to taxes paid by, for, or on behalf of, the Transferor Company under applicable laws, including but not limited to sales tax, value added tax, service tax, excise duty, goods and service tax, or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, Input Tax Credits already availed of or utilized by the Transferor Company and the Transferee Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.
- 4.8 All statutory rights and obligations of Transferor Company would vest on/accrue to the Transferee Company. Hence, obligation of the Transferor Company, prior to the effective Date, to issue or receive any statutory declaration or any other Forms by whatever name called, under the Goods and Service Tax Act, State VAT Acts or the Central Sales Tax Act or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Transferee Company and if any Form relating to the period prior to the said Effective Date is received in the name of the Transferor Company, it would be deemed to have been received by the Transferee Company in fulfillment of its obligations.
- 4.9 Benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 230 to 232 of the 2013 Act, all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as part of the transfer of the Undertaking as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken /complied with by the Transferee Company.
- 4.10 For the avoidance of doubt, it is clarified that upon coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licenses, certificates, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of the Transferor Company, and the rights and benefits under the same shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copy rights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods or services being dealt with by the Transferor Company, be transferred to and vested in the Transferee Company.
- 4.11 In so far as the various incentives, indirect tax benefits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Company are concerned, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions on and from the Appointed Date.
- 4.12 All debts, liabilities, duties and obligations of Transferor Company as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of Transferor Company which may accrue or arise from the Appointed Date but which relate to the period up to the day immediately preceding the Appointed Date, shall become the debts, liabilities, duties and obligations of the Transferee Company.
- 4.13 All loans advanced and other facilities sanctioned to the Transferor Company by its bankers / financial institutions prior to the Appointed date, which are partly drawn / utilized shall be deemed to be the loans / advances sanctioned to the Transferee Company and the said loans and advances shall be drawn / utilized, either partly or fully by the Transferor Company from the appointed date to the effective date and all loans / advances or other facilities made available to the Transferor

Company shall on the effective date be treated as the advances/ loans or facilities made available to the Transferee Company and any balance of in the said accounts shall be transferred to the Transferee Company and all the obligations of the Transferor Company under any loan agreement shall be construed as and shall become the obligation of the Transferee Company without any further act or deed or instrument or document on the part of the Transferor Company.

- 4.14 The Transferor Company may at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Applicable law or otherwise, execute deeds of confirmation, in favour of any of the secured creditors of the Transferor Company or in favour of any other party to any contract or arrangement to which they are party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliance referred to above on their part to be carried out or performed.
- 4.15 Where any of the liabilities and obligations attributed to Transferor Company on the Appointed Date has been discharged by it after the Appointed Date but prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company. Where after the Appointed Date, Transferor Company has taken any further loans, liabilities or obligations such further loan shall also be deemed to have been for and on behalf of the Transferee Company and the Transferee Company will assume liability for the same.
- 4.16 Without prejudice to the provisions of the foregoing Clauses, and upon the Scheme becoming effective, Transferor Company and the Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the concerned Registrar of Companies to give formal effect to the above provisions, if required.
- 4.17 If and to the extent there are loans, deposits or balances inter se between Transferor Company and the Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of Transferee Company. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of any such loans, deposits or balances inter-se between Transferor Company and the Transferee Company.
- 4.18 With effect from the Appointed Date, there would be no accrual of income or expense on account of any transactions, including inter alia any transactions in the nature of sale or transfer of any goods, materials or services between Transferor Company and the Transferee Company.
- 4.19 Any tax liabilities under the Income Tax Act, Fringe Benefit Tax laws, Customs Act, 1962, Central Excise Act, 1944, Value Added Tax Act, Goods and Service Tax Act, applicable to any State in which the Transferor Company operates, Central Sales Tax Act, 1956, any other State Sales Tax / Value Added Tax laws, or Service Tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies/cess (hereinafter in this Clause referred to as "Tax Laws") to the extent not provided for or covered by tax provision in the Accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and TDS as on the date immediately preceding the Appointed Date will also be transferred to the account of and belong to the Transferee Company.
- 4.20 Any refund under the Tax Laws due to Transferor Company consequent to the assessment and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

- 4.21 Without prejudice to the generality of the above, all benefits including under income tax, excise (including Cenvat), sales tax (including deferment of sales tax), goods and service tax etc., to which Transferor Company are entitled to in terms of the applicable Tax Laws of the Union and State Governments, local authorities shall be available to and vest in the Transferee Company with effect from the Appointed Date.
- 4.22 Without prejudice to the provisions of Clauses 4.1 to 4.14 above, with effect from the Appointed Date, all inter-party transactions amongst the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes. Further, if any tax has been paid by the Transferor Company, consequential refund of taxes so paid on these intra-party transactions, in terms of applicable law, would be available to the Transferee Company.

5. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 5.1. Upon the coming into effect of this Scheme and with effect from Appointed Date and subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which any of the Transferor Company are party subsisting or having effect on or immediately before the Effective Date shall remain in full force and effect against or in favour of the Transferee Company and shall be binding on and be enforceable by and against the Transferee Company as fully and effectually as if the Transferee Company had at all material times been a party thereto. Any inter-se contracts between Transferor Company and the Transferee Company shall stand cancelled and cease to operate in the Transferee Company from the Effective Date upon coming into effect of this Scheme.
- 4.23 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this 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 tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall under the provisions of this Part of the Scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Company to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company, as the case may be, to be carried out or performed.

6. PERMITS, CONSENTS AND LICENSES

All the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to the Transferor Company, pursuant to the provisions of Section 232(4) of the Act, shall without any further act, instrument or deed, be transferred to and vested in or be deemed to have been transferred to and vested in and be available to the Transferee Company so as to become from the Appointed Date, the estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in law. Upon the Effective Date and until the licences, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status are transferred, vested, recorded, effected and / or perfected, in the records of the Appropriate Authority, in favor of the Transferee Company, the Transferee Company is authorized to carry on business in the name and style of the Transferor Company and under the relevant licence and or permit and / or approval, as the case may be, and the Transferee Company shall keep a record of such transactions.

7. STAFF AND EMPLOYEES

- 7.1 Upon the Scheme coming into effect, all permanent staff and employees of the Transferor Company in service on the Effective Date, shall be deemed to have become the staff and employees of the Transferee Company on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service as a result of the amalgamation of the Transferor Company with the Transferee Company. The Transferee Company agrees that the services of all such Employees with the Transferor Company prior to the amalgamation of the Transferor Company with the Transferee Company shall be taken into account for the purposes of all benefits to which the said Employees may be eligible. It is hereby clarified that the accumulated balances, if any, standing to the credit of the Employees in the existing provident fund, gratuity fund and superannuation fund of which the Employees of Transferor Company are members shall be transferred, subject to applicable laws, to such provident fund, gratuity fund and superannuation fund of the Transferee Company or to be established and caused to be recognized by the appropriate authorities, by the Transferee Company. The accumulated balances, if any, standing to the credit of the former employees of Transferor Company in the existing provident fund of Transferor Company shall be transferred to the account of the relevant provident fund authorities (including the Regional Provident Fund Commissioner having jurisdiction).
- 7.2 Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees of the Transferor Company would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Transferor Company.
- 7.3 Upon transfer of the aforesaid funds to the respective funds of the Transferee Company, subject to applicable laws, the existing trusts created for such funds by the Transferor Company shall stand dissolved and no further act or deed shall be required to this effect. It is further clarified that the services of the Employees of the Transferor Company will be treated as having been continuous, uninterrupted and taken into account for the purpose of the said fund or funds.

8. LEGAL PROCEEDINGS

- 8.1 If any suit, cause of action, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called "the Proceedings") by or against the Transferor Company be pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in the Scheme, but the Proceedings shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Company.

9. CONSIDERATION

The entire share capital of Transferor Company is held by the Transferee Company [Katalyst Comment: Since this Scheme would be approved on 16 March 2020, when the entire share capital would be held by SW Solar]. Upon the Scheme becoming effective, the shares held by the Transferee Company and its nominees in the Transferor Company shall be cancelled and extinguished and no share shall be issued by the Transferee Company in consideration for this Scheme of Amalgamation. Upon the coming into effect of this Scheme, the share certificates, if any, and / or the shares in electronic form representing the shares held by Transferee Company, and its nominees, in the Transferor Company, shall be deemed to be cancelled without any further act or deed for cancellation thereof by the transferor and shall cease to be in existence accordingly.

10. CONDUCT OF BUSINESS FOR THE TRANSFEEE COMPANY

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

10.1.1 The business of the Transferor Company shall be deemed to have been carried on and shall carry on the business and activities in ordinary course and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the assets for and on account of and in trust for the Transferee Company.

10.1.2 Any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferee Company for and on behalf of, and in trust for and as an agent of the Transferor Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been exercised for and on behalf of the Transferee Company.

10.2 Without prejudice to Clause 10.1 above, with effect from the Appointed Date and upon the Scheme becoming effective, any documents of title/ rights and easements in relation thereto shall stand transferred to and be vested in and/or be deemed to have been transferred and vested in the Transferee Company and shall belong to the Transferee Company. With effect from the Appointed Date, the Transferee Company shall, in relation to such properties, be accountable for all rates, rents and taxes whatsoever inclusive of the same remaining outstanding as on the Appointed Date.. Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent of the Transferee Company.

10.2.1 All profits accruing to Transferor Company or losses arising or incurred for the period falling on and after the Appointed Date shall, for all purposes, be treated as the profits or losses, as the case may be of the Transferee Company.

10.2.2 All taxes, where applicable, (including but not limited to advance income tax, tax deducted at source, minimum alternate tax, wealth tax, taxes withheld/paid in a foreign country, sales tax, excise duty, customs duty, service tax, VAT, goods and service tax, tax refunds) payable by or refundable to the Transferor Company, including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of the Transferor Company) as the case may be, of the Transferee Company, and any unabsorbed tax losses and depreciation, etc., as would have been available to the Transferor Company on or before the Effective Date, shall be available to the Transferee Company upon the Scheme coming into effect.

10.3 All the income or profits accruing or arising to Transferor Company or expenditure or losses arising or incurred by the Transferor Company in respect thereof, shall for all purposes be treated as the income, profits, expenditure or losses (as the case may be) of the Transferee Company.

11. SAVING OF CONCLUDED TRANSACTIONS

11.1 Subject to the terms of the Scheme, the transfer and vesting of the Undertaking as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or after the Appointed Date till the Effective Date. The Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company.

12. ACCOUNTING TREATMENT IN THE BOOKS AND FINANCIAL STATEMENTS OF TRANSFEREE COMPANY

- 12.1. Amalgamation of the Transferor Company with the Transferee Company shall be accounted in the books of the Transferee Company for by way of as per “Pooling of Interests Method” under Appendix C of Ind-AS 103 (Accounting for Business Combinations) and any other relevant Indian Accounting Standard prescribed under Section 133 of the Companies Act, 2013.
- 12.2. All the assets and liabilities of Transferor Company shall be recorded in the financial statements of the Transferee Company at the carrying value as appearing in the financial statements of the Transferor Company as on the Appointed Date.
- 12.3. The identity of the reserves pertaining to the Transferor Companies, shall be preserved and shall appear in the merged financial statements of Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company and it shall be aggregated with the corresponding balance appearing in the financial statements of Transferee Company, as on the Appointed Date.
- 12.4. The investments in shares of the Transferor Company, as appearing, inter alia, in the books of the Transferee Company shall stand cancelled.
- 12.5. To the extent that there are inter-company loans, deposits, obligations, balances or other outstanding including any interest thereon, as between the Transferor Company and the Transferee Company as the case may be, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.
- 12.6. The excess / deficit of the value of the assets over the value of liabilities of the Transferor Company, pursuant to Amalgamation of Transferor Company with and into the Transferee Company, and as recorded in the books of account of the Transferee Company shall, after adjusting as above, be recorded as ‘Capital Reserve’ in the books of the Transferee Company.
- 12.7. Notwithstanding anything to the contrary contained herein above, the Board of Directors of the Transferee Company, in consultation with its statutory auditors to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountant of India and generally accepted accounting principles.

13. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon this Scheme becoming effective, the Transferor Company shall stand dissolved without winding up and without any further act by the parties to the Scheme.

PART III

GENERAL PROVISIONS

14. DIVIDENDS

- 14.1 The Transferor Company and Transferee Company shall be entitled to declare and pay dividends, whether interim and/or final, to their members in respect of the accounting period prior to the Effective Date.
- 14.2 The holders of the shares of the Transferor Company and Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.
- 14.3 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of the Transferor Company and/or the Transferee Company as the case may be, and subject to approval, if required, of the shareholders of the Transferor Company and/or the Transferee Company, as the case may be.

15. APPLICATION TO THE NCLT OR SUCH OTHER COMPETENT AUTHORITY

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

16. MODIFICATION / AMENDMENT TO THE SCHEME AND GENERAL POWER TO THE BOARD

- 16.1 The Transferor Company and Transferee Company with approval of their respective Board of Directors may consent, from time to time, on behalf of all persons concerned, to any modifications / amendments or additions / deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Board of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters, and things as may be necessary for bringing this Scheme into effect or agree to any terms and/ or conditions or limitations that the NCLT or any other authorities under law may deem fit to approve of, to direct and/ or impose. The aforesaid powers of the Transferor Company and Transferee Company to give effect to the modification / amendments to the Scheme may be exercised by their respective Board of Directors or any person authorized in that behalf by the concerned Board of Directors subject to approval of the NCLT or any other authorities under the applicable law to such modification/ amendments to the Scheme.
- 16.2 The Transferor Company and the Transferee Company may withdraw this Scheme prior to the Effective Date at any time.

17. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to the following:

- a) The Scheme being approved by the respective requisite majorities of the shareholders and/ or creditors of the Transferor Company and Transferee Company as required, if any, and as may be directed by the NCLT.

- b) Obtaining the sanction of the Hon'ble NCLT by the Transferor Company and Transferee Company under Sections 230 to 232 of the 2013 Act and other applicable provisions of the 2013 Act.
- c) The certified copies of the Orders of the Hon'ble NCLT sanctioning this Scheme, are filed with the respective jurisdictional Registrar of Companies by the Transferor Company and Transferee Company.

18. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

- 18.1 In the event of any of the said sanctions and approvals referred to in the preceding Clause 18 not being obtained and/or the Scheme not being sanctioned by the NCLT or such other competent authority, if applicable, the Scheme shall become null and void, and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability, or obligations which have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked on as is specifically provided in the Scheme or as may otherwise arise in law and the Transferee Company shall bear the charges and expenses in connection with the Scheme unless otherwise mutually agreed.
- 18.2 In the event of this Scheme failing to take effect or becomes null and void no rights and liabilities of whatsoever nature shall accrue to or be incurred inter-se to or by the parties to the Scheme or any of them.

19. COSTS

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