



NCC

Ref. No.: NCCL/Regulation 37(6)/ 2020

Date : 04-01-2020

The Secretary
National Stock Exchange of India
Ltd
5th Floor, Exchange Plaza
Bandra – Kurla Complex
Bandra (E)
MUMBAI - 500 051.

The Secretary
BSE Limited,
Rotunda Building, P J Towers
Dalal Street, Fort
M U M B A I – 400 001.

Dear Sir(s),

Scrip Code : NSE: NCC & BSE : 500294

Sub: Submission of Draft Scheme under Regulation 37 (6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.(‘LODR Regulations’)

We refer to our letter dated 28th December,2019 submitted under Regulation 30 of SEBI (LODR) Regulations, 2015 as amended, intimating the approval of the Board of Directors for Scheme of Amalgamation (“Scheme”) pursuant to section 230 to 232 and other relevant provisions of the Companies Act,2013 and Rules made there under, providing for the merger of **two wholly owned Subsidiaries of the Company i.e., 1) Vaidehi Avenues Limited 2) Aster Rail Private Ltd and with NCC Limited.**

In compliance with Clause 7 of SEBI Circular No.CFD/DIL3/CIR/2017/21 dated 10-03-2017, we are enclosing herewith the following documents;

- 1) Certified copy of the Scheme of Arrangement under Section 230 to 232 of the Companies Act,2013 between M/s.Vaidehi Avenues Limited & M/s.Aster Rail Private Limited (Transferor Companies) and M/s. NCC Limited (Transferee Company).
- 2) Certified Copy of the Resolution passed by the Board of Directors of M/s. NCC Limited along with disclosure submitted under Regulation 30 of the LODR Regulations.

We would request you to please take the same on record.

Thanking you,

Yours faithfully
For NCC LIMITED.

4-01-2020
M V Srinivasa Murthy
Company Secretary & EVP (Legal)
Encl : As above

NCC Limited

(Formerly Nagarjuna Construction Company Limited)

CIN: L72200TG1990PLC011146

NCC House, Madhapur, Hyderabad 500 081 T +91 40 2326 8888 F +91 40 2312 5555 ncclimited.com

DRAFT

SCHEME OF ARRANGEMENT

UNDER SECTION 230 TO 232 OF THE COMPANIES ACT, 2013

BETWEEN

Vaidehi Avenues Limited

(Transferor Company No.1)

AND

Aster Rail Private Limited

(Transferor Company No.2)

AND

NCC Limited

(Transferee Company)

AND

their respective shareholders

WHEREAS:

- A. **Vaidehi Avenues Limited**, *(Transferor Company No.1)* a Company incorporated under the Companies Act, 1956 on 1st April 2011 with CIN: U70109TG2011PLC073648 having its registered office at NCC House, Madhapur, Hyderabad, Telangana. India. Pin - 500081, is engaged in the business of acquiring and holding land and developing and maintaining



stock yards and has investment property in the form of land of Rs 5.12 Crores for the year ended 31st March 2019.

- B. **Aster Rail Private Limited** (*Transferor Company No.2*) a Company incorporated under the Companies Act, 1956 on 29th March 2007 with CIN: U72200TG2007PTC053398 having its registered office at Survey No.64, Durgam Chervu, Madhapur, Hyderabad. Telangana – 500081 is primarily engaged in the business of designing, manufacturing, erection, installation, repairing and servicing of Railway signalling, telecommunication equipment and other equipment related to railways and train control systems, and has recorded income from operations of Rs 30,09,12,000 and a net profit after tax of Rs. 2,09,92,000 for the year ended 31st March 2019.
- C. **NCC Limited**, the Transferee Company, originally incorporated as Nagarjuna Construction Company Limited under the Companies Act, 1956 on 22nd March 1990 with CIN: L72200TG1990PLC011146 having its registered office at NCC HOUSE, Madhapur, Hyderabad. Telangana – 500081 is a listed company primarily engaged in the business of Construction, Engineering and Infrastructure Development activities and has recorded an income from operations of Rs. 12079.76 crores and a net profit after tax of Rs. 563.91 crores for the year ended 31st March 2019.
- D. The Transferor Company No.1 and Transferor Company No.2 are both wholly owned subsidiaries of NCC Limited, the Transferee Company, wherein the Transferee Company holds the entire equity share capital of the respective Transferor Companies by itself and through its nominees.
- E. This Scheme of Arrangement (hereinafter referred to as the “Scheme”) involves the amalgamation of two wholly owned subsidiaries of Transferee

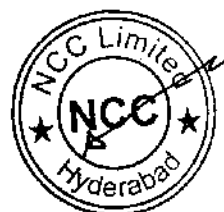


Company viz. **Vaidehi Avenues Limited** and **Aster Rail Private Limited** with **NCC Limited**, its holding company pursuant to Section 230 and 232 of the Companies Act, 2013, which has been set forth in Part II herein under.

- F. On the basis of discussions, meetings and consultations between members of the Boards of Directors of the Transferor Companies (as defined hereinafter) and the Transferee Company, legal and other professional consultants, it has been decided to take appropriate steps to carry out effectively and efficiently the amalgamation of the above mentioned Transferor Company No.1 and Transferor Company No.2 with the Transferee Company in the larger interest of the shareholders of the above mentioned Companies considering the benefits of business consolidation and operational efficiencies.
- G. The Scheme of Arrangement will benefit the respective Transferor Companies, the Transferee Company and their respective shareholders. The rationale and reasons for the proposed Scheme of Arrangement, inter alia, are summarized below:

The Scheme would-

- enable consolidation of businesses under one roof and will result in a simplified corporate structure and direct control of assets of the Transferor Companies in the hands of the Transferee Company;
- facilitate focused strategic leadership and top management attention so as to integrate the business synergies and reap the benefits of consolidation;
- reduce the number of legal entities in the group thereby reducing managerial overlaps which are necessarily involved in running multiple entities and help channelize synergies;

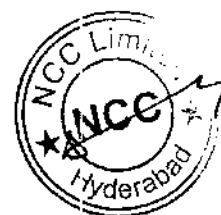


- enable optimum utilization of the available resources, broadening the customer base besides enabling a focused business approach for achieving optimization;
- enable achievement of higher long-term financial returns and inculcation of greater financial strength and flexibility than could be achieved by the companies individually;
- result in greater rationalization and help reduce duplication of systems and processes;

In view of the above benefits, the proposed amalgamation would result in an enhanced shareholder value.

H. This Scheme of Arrangement is divided into the following Parts:

- **Part I - "General"**, contains definitions of the expressions used in the arrangement set out in Part II and details in respect of the incorporation and share capital of the Transferor Company No.1 and Transferor Company No.2 and the Transferee Company, interpretation of the words and terms used in the Scheme and date on which the Scheme comes into effect;
- **Part II – Section A** deals with the amalgamation of the Transferor Company No.1 with Transferee Company;
- **Part II – Section B** deals with the amalgamation of the Transferor Company No.2 with the Transferee Company;
- **Part III** contains the consideration payable for Amalgamation in Part II and provision for clubbing of Authorised Share Capital
- **Part IV** deals with the transactions between the Appointed Date and Effective Date and accounting treatment to be followed in the books of Transferee Company in recording the amalgamation
- **Part V** contains matters consequential, incidental or related thereto and otherwise integrally connected therewith which are common to both Section 'A' and 'B' of Part-II.



PART – I “General”

1. DEFINITIONS INTERPRETATION AND EFFECTIVE DATE

1.1 Definitions

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

- (i) “**Act**” means the Companies Act, 2013 and any amendments and/or re-enactment thereof, for the time being in force.
- (ii) “**Appointed Date**” means 1st April, 2019 or such other date as may be fixed by the NCLT.
- (iii) “**Board**” means the board of directors of each of the Transferor Companies or the Transferee Company, as the case may be, including any duly constituted committee(s) thereof.
- (iv) “**Effective Date**” means the date on which the certified copies of the Order of the National Company Law Tribunal or any other Court or authority of appropriate jurisdiction sanctioning the Scheme are filed with the Registrar of Companies, Telangana at Hyderabad.
- (v) “**NCLT**” or the “**Tribunal**” means the National Company Law Tribunal, Hyderabad Bench.
- (vi) “**Scheme**” or “**Scheme of Arrangement**” means the Scheme of Arrangement as set out herein or with any modifications approved or imposed or directed by the Tribunal.
- (vii) “**Transferor Company No.1**” means Vaidehi Avenues Limited [CIN: U70109TG2011PLC073648], a Company formed and registered under the Companies Act 1956, having its registered office at NCC House, Madhapur, Hyderabad, Telangana. India. Pin - 500081.



- (viii) **“Transferor Company No.2”** means Aster Rail Private Limited [CIN: U72200TG2007PTC053398], a Company formed and registered under the Companies Act 1956, having its registered office at NCC House, Madhapur, Hyderabad. Telangana – 500081.
- (ix) **“Transferor Companies”** means collectively the Transferor Company No.1 and Transferor Company No.2
- (x) **“Transferee Company”** means NCC Limited [CIN: L72200TG1990PLC011146], a listed company formed and registered under the Companies Act 1956 having its registered office at NCC House, Madhapur, Hyderabad. Telangana – 500082.
- (xi) **“Undertaking of the Transferor Company No.1”** includes :-
- a) all the assets and properties of the Transferor Company No.1 as on the Appointed Date;
 - b) all debts, liabilities, duties, responsibilities and obligations of the Transferor Company No.1 as on the Appointed Date;

Without prejudice to the generality of the above,

- (i) the assets and property of the Transferor Company No.1 shall include the entire businesses and all rights, privileges, powers and authorities and all property, movable or immovable, real, corporeal or incorporeal, leasehold or otherwise, in possession or reversion, present or contingent of whatever nature and wheresoever situate, including fixed assets, if any, capital works in progress, current assets, investment of all kind, approvals, permissions, consents, exemptions, registrations, no-objection certificates and certifications, permits, quotas, rights, entitlements, tenancies, roof rights, trademarks, service marks,



know-how, technical know-how, trade names, descriptions, trading style, franchises, labels, label designs, colour schemes, utility models, holograms, bar codes, designs, patents, copyrights, privileges and any rights, title or interest in intellectual property rights, benefits of security arrangements, contracts, agreements and all other rights including lease rights, licenses including those relating to trademarks, or service marks, easements, advantages, exemptions, benefits, powers and facilities of every kind, nature and description whatsoever of the Transferor Company No.1 or to which the Transferor Company No.1 is entitled including right to use of telephones, telex, facsimile connections and installations, electricity, power lines, communication lines and other services, reserves, deposits, provisions, funds, subsidies, grants, incentives, tax refunds, tax credits (including but not limited to MAT paid under Section 115JA/115JB of the Income-tax Act, 1961 and the right to claim credit therefore in accordance with the provisions of Section 115JAA of the Income-tax Act, 1961, right to claim credit in respect of all advance tax, self-assessment tax, taxes deducted at source, foreign tax credit, tax on regular assessment, MAT, interest, penalty, fine, fees, GST, IGST, CGST), all other rights including sales tax deferrals, input tax credit, goods and service tax credits and exemptions and other benefits, whatsoever nature and where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company No.1, as on the Appointed Date, and any accretions or additions arising to any of the



foregoing as on the Appointed Date; and

- (ii) all the debts, liabilities, duties, responsibilities and obligations of the Transferor Company No.1 including all its obligations of whatsoever kind and liabilities which have arisen or accrued as on the Appointed Date.

(xii) **“Undertaking of the Transferor Company No.2”** includes :-

- a) all the assets and properties of the Transferor Company No.2 as on the Appointed Date;
- b) all debts, liabilities, duties, responsibilities and obligations of the Transferor Company No.2 as on the Appointed Date;

Without prejudice to the generality of the above,

- (i) the assets and property of the Transferor Company No.2 shall include the entire businesses and all rights, privileges, powers and authorities and all property, movable or immovable, real, corporeal or incorporeal, leasehold or otherwise, in possession or reversion, present or contingent of whatever nature and wheresoever situate, including fixed assets, if any, capital works in progress, current assets, investment of all kind, approvals, permissions, consents, exemptions, registrations, no-objection certificates and certifications, permits, quotas, rights, entitlements, tenancies, roof rights, trademarks, service marks, know-how, technical know-how, trade names, descriptions, trading style, franchises, labels, label designs, colour schemes, utility models, holograms, bar codes, designs, patents, copyrights, privileges and any rights, title or interest in intellectual



property rights, benefits of security arrangements, contracts, agreements and all other rights including lease rights, licenses including those relating to trademarks, or service marks, easements, advantages, exemptions, benefits, powers and facilities of every kind, nature and description whatsoever of the Transferor Company No.2 or to which the Transferor Company No.2 is entitled including right to use of telephones, telex, facsimile connections and installations, electricity, power lines, communication lines and other services, reserves, deposits, provisions, funds, subsidies, grants, incentives, tax refunds, tax credits (including but not limited to MAT paid under Section 115JA/115JB of the Income-tax Act, 1961 and the right to claim credit therefore in accordance with the provisions of Section 115JAA of the Income-tax Act, 1961, right to claim credit in respect of all advance tax, self-assessment tax, taxes deducted at source, foreign tax credit, tax on regular assessment, MAT, interest, penalty, fine, fees, GST, IGST, CGST), all other rights including sales tax deferrals, input tax credit, goods and service tax credits and exemptions and other benefits , whatsoever nature and where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company No.2, as on the Appointed Date tax credits, and any accretions or additions arising to any of the foregoing as on the Appointed Date; and

- (ii) all the debts, liabilities, duties, responsibilities and obligations of the Transferor Company No.2 including all its



obligations of whatsoever kind and liabilities which have arisen or accrued as on the Appointed Date.

(xiii) References in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date.

1.2. Interpretation

1.2.1 All terms and words used in the Scheme but not specifically defined herein shall, unless contrary to the context thereof, have the meaning ascribed to them under the Act.

1.2.2 In the Scheme, unless the context otherwise requires:

(i) references to a statutory provision include any subordinate legislation made from time to time under that provision;

(ii) references to the singular include the plural and vice versa and references to any gender includes the other gender;

(iv) references to a document shall be a reference to that document as modified, amended, novated or replaced from time to time;

(v) headings are for convenience only and shall be ignored in construing or interpreting any provision of this Scheme;

(vi) the expression “this Clause” shall, unless followed by reference to a specific provision, be deemed to refer to the whole Clause (and not merely the sub-Clause, paragraph or other provision) in which the expression occurs;

(vii) references to Clauses are to Clauses of this Scheme;

(viii) references to any person shall include that person’s successors and permitted assigns or transferees;

(ix) references to the words “include” or “including” shall be construed without limitation;

(x) references to the words “hereof”, “herein” and “hereunder” and



words of similar import shall refer to this Scheme as a whole and not to any particular provision of this Scheme; and

(xi) where a wider construction is possible, the words “other” and “otherwise” shall not be construed *ejusdem generis* with any foregoing words

1.3. Effective Date

The Scheme set out herein in its present form, or with modification(s), if any, made in accordance with the provisions of the Scheme and/or the directions of the Tribunal, shall be effective from the Appointed Date but shall be operative from the Effective Date.

2. The Capital Structure of the Transferor Companies and the Transferee Company as are parties to the present Scheme as at 31st March 2019, was as under:

(i) Transferor Company No.1

SHARE CAPITAL	Rs.
AUTHORISED CAPITAL:	
80,00,000 Equity Shares of Rs. 10/- each, fully paid up.	8,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL:	
51,63,422 Equity Shares of Rs. 10/- each, fully paid up.	5,16,34,220

(ii) Transferor Company No.2

SHARE CAPITAL	Rs.
AUTHORISED CAPITAL:	
35,00,000 Equity Shares of Rs. 10/- each, fully paid up.	3,50,00,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL:	
30,98,800 Equity Shares of Rs. 10/- each, fully paid up.	3,09,88,000



(iii) Transferee Company

SHARE CAPITAL	Rs.
AUTHORISED CAPITAL:	
750,000,000 Equity Shares of Rs. 2/- each	150,00,00,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL:	
600,646,588 Equity Shares of Rs. 2/- each, fully paid up.	120,12,93,176

There is no change in the above capital structure of the Transferor Companies and the Transferee Company as on date.

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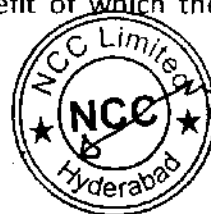
PART II

Section A

Amalgamation of Transferor Company No.1

3 TRANSFER OF ASSETS

- (a). With effect from the Appointed Date and upon the Scheme becoming effective, all the assets and properties, both movable and immovable, investments, rights, title and interests comprised in the Undertaking of the Transferor Company No1 shall pursuant to the Scheme being sanctioned by the Tribunal under Section 230 and Section 232 of the Act and without any further act or deed be transferred to, and vested in, or deemed to have been transferred to, and vested in, the Transferee Company so as to become as and from the Appointed Date, the estate, assets, investments, rights, title and interests of the Transferee Company.
- (b). With effect from the Appointed Date and upon the Scheme becoming effective, all rights and licenses relating to trademarks, know-how, technical know-how, trade names, descriptions, trading style, franchises, labels, label designs, colour schemes, utility models, holograms, bar codes, copyrights, privileges and any rights, title or interest in intellectual property rights (including applications submitted to the registration authorities on or before the Effective Date by the Transferor Company No.1), tenancies, if any, with the consent of the landlord wherever necessary, powers, facilities of every kind and description of whatsoever nature in relation to the Undertaking of the Transferor Company No.1 to which the Transferor Company No.1 is a party or to the benefit of which the Transferor



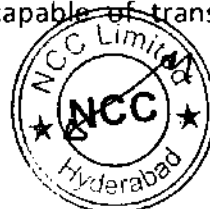
Company No.1 may be entitled/eligible and which are subsisting or have effect immediately before the Appointed Date, shall be in full force and effect on, or against, or in favour of, the Transferee Company as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company No.1, the Transferee Company had been a party or beneficiary or obligee thereto.

- (c). All immovable properties of the Undertaking of Transferor Company No.1, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of Transferor Company No.1, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand vested in and/or be deemed to have been vested in the Transferee Company, by operation of law pursuant to the sanctioning of the Scheme and upon the Scheme becoming effective. Such assets shall stand vested in the Transferee Company and shall be deemed to be and become the property as an integral part of the Transferee Company by operation of law. The Transferee Company shall upon the NCLT Orders sanctioning the Scheme and upon this Scheme becoming effective, be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfill all obligations in relation thereto or as applicable to such immovable properties. Upon this Scheme becoming effective, the title to such properties shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant



government authority shall suffice as record of continuing titles with the Transferee Company and shall be constituted as a deemed mutation and substitution thereof. The Transferee Company shall subsequent to Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard. It is hereby clarified that all the rights, title and interest of the Transferor Company No.1 in any leasehold properties shall without any further act, instrument or deed, be vested in or be deemed to have been vested in the Transferee Company.

- (d). In particular, with effect from the Appointed Date and upon the Scheme becoming effective, all licenses, sanctions, consents, authorization, approvals and permissions (whether statutory or otherwise) of the Transferor Company No.1 pertaining to the conduct of its business (including, without limitation, benefits, remissions, special reservations, exemption available to the Transferor Company No.1, under any income tax, GST, sales tax (including any benefits related to the deferment of sales tax) and excise (whether MODVAT or CENVAT) laws (whether such laws be enacted at the central and/or state levels including excise credits), shall vest in the Transferee Company and the concerned licensors and grantors of such approvals or permissions, shall endorse and record the Transferee Company on such approvals and permissions so as to empower and facilitate the approval and vesting of the Undertaking of the Transferor Company No.1 in the Transferee Company without hindrance or let from the Appointed Date.
- (e). All assets and properties as are moveable in nature, including investments, or are otherwise capable of transfer by physical or



constructive delivery or by endorsement and delivery, shall stand so transferred by the Transferor Company No.1, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company accordingly without any further act, instrument, deed or thing, and such transfer shall be deemed to have taken place at the Registered Office of the Transferee Company in the State of Telangana.

- (f). All debts, outstanding and receivables ,whether recoverable in cash or in kind, the bank balances, investments of the Transferor Company No.1 and any earnest money and deposits with any Government, quasi-government, local or other authority or body or with any company or other person, shall accordingly, on and from the Appointed Date and upon the Scheme becoming effective, stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (though the Transferee Company may, if it deems appropriate, give notice to the debtors that the debts stand transferred and vested in the Transferee Company) and the debtors shall be obliged to make payment to the Transferee Company on and after the Effective Date.
- (g). The transfer/vesting, as aforesaid, shall be subject to existing charges/hypothecation/mortgage (if any) as may be subsisting over or in respect of the said assets or any part thereof. Provided, however, that any reference in any security documents or arrangements to which the Transferor Company No.1 is a party, to such assets of such Transferor Company No.1 offered or agreed to be offered as security for any financial assistance both availed and to be availed up to any



limit on or after the Appointed Date for which sanctions have already been obtained by such Transferor Company No.1 shall be construed as reference only to the assets pertaining to such Transferor Company No.1 as are vested in the Transferee Company by virtue of this Clause to the end and intent that such security, mortgage and/or charge shall not extend or be deemed to extend to any of the assets or to any of the other units or divisions of the Transferee Company, unless specifically agreed to in writing by the Transferee Company with such secured creditor(s).

- (h). All assets including investments acquired and liabilities incurred by the Transferor Company No.1 after the Appointed Date but prior to the Effective Date in relation to the Undertaking of the Transferor Company No.1 shall also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the Transferee Company upon the coming into effect of this Scheme.

4. TRANSFER OF LIABILITIES

- (a) With effect from the Appointed Date and upon the Scheme becoming effective, all debts (whether secured or unsecured), liabilities (including contingent liabilities, whether disclosed or undisclosed), taxes, duties and obligations of every kind, nature and description of the Transferor Company No.1 along with any charge, encumbrance, lien or security thereon shall also be vested and stand transferred to and be deemed to be and stand vested in the Transferee Company without any further act, or instrument or deed pursuant to the Scheme being sanctioned by the Tribunal under Section 230 and



Section 232 of the Act so as to become the debts, liabilities, duties and obligations of the Transferee Company from the Appointed Date and the Transferee Company undertakes to meet, discharge and satisfy the same to the exclusion of the Transferor Company No.1. Further that 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, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause.

- (b) Where any loans, liabilities and obligations of the Transferor Company No.1 on or after the Appointed Date have been discharged by the Transferor Company No.1 after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been discharged by the Transferor Company No.1 for and on behalf of the Transferee Company.
- (c) Upon the Scheme becoming effective, all the existing securities, mortgages, charges, encumbrances or liens (the Encumbrances), if any, created by the Transferor Company No.1 after the Appointed Date, in terms of this Scheme, over the assets comprised in the Undertaking of the Transferor Company No.1, transferred to the Transferee Company, by virtue of this Scheme and in so far as such Encumbrances secure or relate to the liabilities of Transferor Company No.1, the same shall, after the Effective Date continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company.



- (d) Upon the Scheme becoming effective, any reference in security documents or arrangements (to which the Transferor Company No.1 is a party), if any, to Transferor Company No.1 and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of Transferor Company No.1, transferred to the Transferee Company by virtue of this Scheme. Without any prejudice to the foregoing provisions and upon the effectiveness of this Scheme, the Transferee Company shall execute any and all instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charges, with the Registrar of Companies, Telangana to give formal effect to the above provisions, if required.
- (e) The Scheme shall not operate to enlarge the security of any loan, deposit, mortgages, charges, encumbrances, liens or facility, if any, created by or available to the Transferor Company No.1 which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged to create any further or additional security therefore after the Scheme has become effective or otherwise.

5. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- (a) With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Undertaking of the Transferor Company No.1 to which the Transferor Company No.1 is a party or to the benefit of which the Transferor Company No.1 may be entitled/eligible, and which are

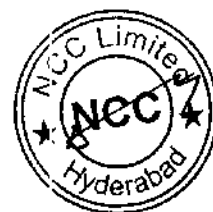


subsisting or have effect immediately before the Appointed Date, shall be in full force and effect on, or against, or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company No.1, the Transferee Company had been a party or beneficiary or obligee thereto.

- (b) For the avoidance of doubt, it is expressly made clear that the transfer of Undertaking of the Transferor Company No.1 as contemplated herein, shall not affect the previous operation of any contract, agreement, deed or any instrument or the like to which the Transferor Company No.1 is a party or is the beneficiary of (as the case may be) and any reference in such agreements, contracts, deeds and instruments to the Transferor Company No.1 shall be construed as reference only to the Transferee Company with effect from the Effective Date.
- (c) The resolutions, if any, of the Transferor Company No.1 which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be added and shall constitute the aggregate of the said limits in the Transferee Company.

6. LEGAL PROCEEDINGS

On and from the Appointed Date and upon the Scheme becoming effective, all suits, actions and other legal proceedings by or against the Transferor Company No.1 under any statute or otherwise, whether pending, or arising, before the Appointed Date shall be continued and enforced by or against the Transferee Company.



7. EMPLOYEES

(a). All permanent employees, if any, of the Transferor Company No.1 as on the Effective Date shall as from such date, become employees of the Transferee Company in such position, rank and designation as may be determined by the Transferee Company with the benefit of continuity of service and such that the terms and conditions of their employment with the Transferee Company are not less favourable than those applicable to them as employees of the Transferor Company No.1 on such date. With regard to provident fund, gratuity fund, superannuation fund or any other special fund created or existing for the benefit of such employees of the Transferor Company No.1 , from the Effective Date the Transferee Company shall stand substituted for the Transferor Company No.1 for all purposes whatsoever in relation to the administration or operation of such fund or funds and 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 or other documents provided that if the Transferee Company considers it desirable for the smooth administration, management, operation and uniformity of such funds, the same may be merged with similar funds of the Transferee Company.

It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company No.1 in relation to such schemes or funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company No.1 will be treated as having been continuous for the purpose of the aforesaid schemes, funds and trusts.



(b). In the event that trustees are constituted as holders of any securities, trust funds or trust monies, in relation to any provident fund trust, gratuity trust or superannuation trust of the Transferor Company No.1, such funds shall be transferred by such trustees of the trusts of the Transferor Company No.1, to separate trusts and the trustees of the Transferee Company set up for the same purpose and object and shall be deemed to be a transfer of trust property from one set of trustees to another set of trustees in accordance with the provisions of the relevant labour laws, Indian Trusts Act 1882, and the Income Tax Act, 1961 and relevant stamp legislations as applicable provided that if the Transferee Company considers it desirable for the smooth administration, management, operation and uniformity of such trusts of the Transferor Company No.1, the same may be merged with similar trusts of the Transferee Company. Appropriate deeds of trusts and/or documents for transfer of trust properties shall be simultaneously executed upon the sanction of the Scheme in accordance with the terms hereof by the trustees of such trusts in favour of the trusts of the Transferee Company so as to continue the benefits to the employees. The provident fund trust, gratuity trust or superannuation trusts of the Transferor Company No.1 shall continue to hold such securities, trust funds and/or trust monies as hitherto, till such time as the transfer to the corresponding trusts of the Transferee Company is made.

(c). The Transferee Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into by the Transferor Company No.1 with any employee of the Transferor Company No.1. The Transferee Company agrees that for the purpose of payment of any



retrenchment, compensation, gratuity and other terminal benefits, the past services of such employees with the Transferor Company No.1 shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

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PART II

Section B

Amalgamation of Transferor Company No.2

8. TRANSFER OF ASSETS

- (a) With effect from the Appointed Date and upon the Scheme becoming effective, all the assets and properties, both movable and immovable, investments, rights, title and interests comprised in the Undertaking of the Transferor Company No.2 shall pursuant to the Scheme being sanctioned by the Tribunal under Section 230 and Section 232 of the Act and without any further act or deed be transferred to, and vested in, or deemed to have been transferred to, and vested in, the Transferee Company so as to become as and from the Appointed Date, the estate, assets, investments, rights, title and interests of the Transferee Company.
- (b) With effect from the Appointed Date and upon the Scheme becoming effective, all rights and licenses relating to trademarks, know-how, technical know-how, technical qualifications / credentials trade names, descriptions, trading style, franchises, labels, label designs, colour schemes, utility models, holograms, bar codes, copyrights, privileges and any rights, title or interest in intellectual property rights (including applications submitted to the registration authorities on or before the Effective Date by the Transferor Company No.2), tenancies, if any, with the consent of the landlord wherever necessary, powers, facilities of every kind and description of whatsoever nature in relation to the Undertaking of the Transferor Company No.2 to which the Transferor Company



No.2 is a party or to the benefit of which the Transferor Company No.2 may be entitled/eligible and which are subsisting or have effect immediately before the Appointed Date, shall be in full force and effect on, or against, or in favour of, the Transferee Company as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company No.2, the Transferee Company had been a party or beneficiary or obligee thereto.

- (c) All immovable properties of the Undertaking of Transferor Company No.2, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of Transferor Company No.2, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand vested in and/or be deemed to have been vested in the Transferee Company, by operation of law pursuant to the sanctioning of the Scheme and upon the Scheme becoming effective. Such assets shall stand vested in the Transferee Company and shall be deemed to be and become the property as an integral part of the Transferee Company by operation of law. The Transferee Company shall upon the NCLT Orders sanctioning the Scheme and upon this Scheme becoming effective, be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfill all obligations in relation thereto or as applicable to such immovable properties. Upon this Scheme becoming effective, the title to such properties shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing thereof with the appropriate registrar



or sub-registrar or with the relevant government authority shall suffice as record of continuing titles with the Transferee Company and shall be constituted as a deemed mutation and substitution thereof. The Transferee Company shall subsequent to Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard. It is hereby clarified that all the rights, title and interest of the Transferor Company No.2 in any leasehold properties shall without any further act, instrument or deed, be vested in or be deemed to have been vested in the Transferee Company.

- (d) In particular, with effect from the Appointed Date and upon the Scheme becoming effective, all licenses, sanctions, consents, authorization, approvals and permissions (whether statutory or otherwise) of the Transferor Company No.2 pertaining to the conduct of its business (including, without limitation, benefits, remissions, special reservations, exemption available to the Transferor Company No.2, under any income tax, GST, sales tax (including any benefits related to the deferment of sales tax) and excise (whether MODVAT or CENVAT) laws (whether such laws be enacted at the central and/or state levels including excise credits), shall vest in the Transferee Company and the concerned licensors and grantors of such approvals or permissions, shall endorse and record the Transferee Company on such approvals and permissions so as to empower and facilitate the approval and vesting of the Undertaking of the Transferor Company No.2 in the Transferee Company without hindrance or let from the Appointed Date.



- (e) All assets and properties as are moveable in nature, including investments, or are otherwise capable of transfer by physical or constructive delivery or by endorsement and delivery, shall stand so transferred by the Transferor Company No.2, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company accordingly without any further act, instrument, deed or thing, and such transfer shall be deemed to have taken place at the Registered Office of the Transferee Company in the State of Telangana.
- (f) All debts, outstanding and receivables ,whether recoverable in cash or in kind, the bank balances, investments of the Transferor Company No.2 and any earnest money and deposits with any Government, quasi-government, local or other authority or body or with any company or other person, shall accordingly, on and from the Appointed Date and upon the Scheme becoming effective, stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (though the Transferee Company may, if it deems appropriate, give notice to the debtors that the debts stand transferred and vested in the Transferee Company) and the debtors shall be obliged to make payment to the Transferee Company on and after the Effective Date.
- (g) The transfer/vesting, as aforesaid, shall be subject to existing charges/hypothecation/mortgage (if any) as may be subsisting over or in respect of the said assets or any part thereof. Provided, however, that any reference in any security documents or arrangements to which the Transferor Company No.2 is a party, to such assets of such Transferor Company No.2 offered or agreed to

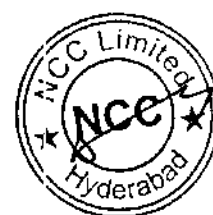


be offered as security for any financial assistance both availed and to be availed up to any limit on or after the Appointed Date for which sanctions have already been obtained by such Transferor Company No.2 shall be construed as reference only to the assets pertaining to such Transferor Company No.2 as are vested in the Transferee Company by virtue of this Clause to the end and intent that such security, mortgage and/or charge shall not extend or be deemed to extend to any of the assets or to any of the other units or divisions of the Transferee Company, unless specifically agreed to in writing by the Transferee Company with such secured creditor(s).

- (h) All assets including investments acquired and liabilities incurred by the Transferor Company No.2 after the Appointed Date but prior to the Effective Date in relation to the Undertaking of the Transferor Company No.2 shall also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the Transferee Company upon the coming into effect of this Scheme.

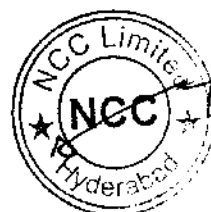
9. TRANSFER OF LIABILITIES

- (a) With effect from the Appointed Date and upon the Scheme becoming effective, all debts (whether secured or unsecured), liabilities (including contingent liabilities, whether disclosed or undisclosed), taxes, duties and obligations of every kind, nature and description of the Transferor Company No.2 along with any charge, encumbrance, lien or security thereon shall also be vested and stand transferred to and be deemed to be and stand vested in the Transferee Company without any further act, or instrument or deed pursuant to the Scheme being sanctioned by the Tribunal under Section 230 and



Section 232 of the Act so as to become the debts, liabilities, duties and obligations of the Transferee Company from the Appointed Date and the Transferee Company undertakes to meet, discharge and satisfy the same to the exclusion of the Transferor Company No.2. Further that 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, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause.

- (b) Where any loans, liabilities and obligations of the Transferor Company No.2 on or after the Appointed Date have been discharged by the Transferor Company No.2 after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been discharged by the Transferor Company No.2 for and on behalf of the Transferee Company.
- (c) Upon the Scheme becoming effective, all the existing securities, mortgages, charges, encumbrances or liens (the Encumbrances), if any, created by the Transferor Company No.2 after the Appointed Date, in terms of this Scheme, over the assets comprised in the Undertaking of the Transferor Company No.2, transferred to the Transferee Company, by virtue of this Scheme and in so far as such Encumbrances secure or relate to the liabilities of Transferor Company No.2, the same shall, after the Effective Date continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company.



- (d) Upon the Scheme becoming effective, any reference in security documents or arrangements (to which the Transferor Company No.2 is a party), if any, to Transferor Company No.2 and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of Transferor Company No.2, transferred to the Transferee Company by virtue of this Scheme. Without any prejudice to the foregoing provisions and upon the effectiveness of this Scheme, the Transferee Company shall execute any and all instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charges, with the Registrar of Companies, Telangana to give formal effect to the above provisions, if required.
- (e) The Scheme shall not operate to enlarge the security of any loan, deposit, mortgages, charges, encumbrances, liens or facility, if any, created by or available to the Transferor Company No.2 which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged to create any further or additional security therefore after the Scheme has become effective or otherwise.

10. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- (a) With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Undertaking of the Transferor Company No.2 to which the Transferor Company No.2 is a party or to the benefit of which the Transferor Company No.2 may be entitled/eligible, and which are subsisting or have effect immediately before the Appointed Date,



shall be in full force and effect on, or against, or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company No.2, the Transferee Company had been a party or beneficiary or obligee thereto.

- (b) For the avoidance of doubt, it is expressly made clear that the transfer of Undertaking of the Transferor Company No.2 as contemplated herein, shall not affect the previous operation of any contract, agreement, deed or any instrument or the like to which the Transferor Company No.2 is a party or is the beneficiary of (as the case may be) and any reference in such agreements, contracts, deeds and instruments to the Transferor Company No.2 shall be construed as reference only to the Transferee Company with effect from the Effective Date.
- (c) The resolutions, if any, of the Transferor Company No.2 which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be added and shall constitute the aggregate of the said limits in the Transferee Company.

11. LEGAL PROCEEDINGS

On and from the Appointed Date and upon the Scheme becoming effective, all suits, actions and other legal proceedings by or against the Transferor Company No.2 under any statute or otherwise, whether pending, or arising, before the Appointed Date shall be continued and enforced by or against the Transferee Company.



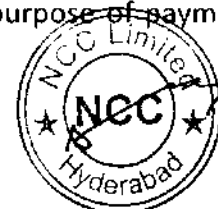
12. EMPLOYEES

- (a). All permanent employees, if any, of the Transferor Company No.2 as on the Effective Date shall as from such date, become employees of the Transferee Company in such position, rank and designation as may be determined by the Transferee Company with the benefit of continuity of service and such that the terms and conditions of their employment with the Transferee Company are not less favourable than those applicable to them as employees of the Transferor Company No.2 on such date. With regard to provident fund, gratuity fund, superannuation fund or any other special fund created or existing for the benefit of such employees of the Transferor Company No.2 , from the Effective Date the Transferee Company shall stand substituted for the Transferor Company No.2 for all purposes whatsoever in relation to the administration or operation of such fund or funds and 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 or other documents provided that if the Transferee Company considers it desirable for the smooth administration, management, operation and uniformity of such funds, the same may be merged with similar funds of the Transferee Company.

It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company No.2 in relation to such schemes or funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company No.2 will be treated as having been continuous for the purpose of the aforesaid schemes, funds and trusts.



- (b). In the event that trustees are constituted as holders of any securities, trust funds or trust monies, in relation to any provident fund trust, gratuity trust or superannuation trust of the Transferor Company No.2, such funds shall be transferred by such trustees of the trusts of the Transferor Company No.2, to separate trusts and the trustees of the Transferee Company set up for the same purpose and object and shall be deemed to be a transfer of trust property from one set of trustees to another set of trustees in accordance with the provisions of the relevant labour laws, Indian Trusts Act 1882, and the Income Tax Act, 1961 and relevant stamp legislations as applicable provided that if the Transferee Company considers it desirable for the smooth administration, management, operation and uniformity of such trusts of the Transferor Company No.2, the same may be merged with similar trusts of the Transferee Company. Appropriate deeds of trusts and/or documents for transfer of trust properties shall be simultaneously executed upon the sanction of the Scheme in accordance with the terms hereof by the trustees of such trusts in favour of the trusts of the Transferee Company so as to continue the benefits to the employees. The provident fund trust, gratuity trust or superannuation trusts of the Transferor Company No.2 shall continue to hold such securities, trust funds and/or trust monies as hitherto, till such time as the transfer to the corresponding trusts of the Transferee Company is made.
- (c). The Transferee Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into by the Transferor Company No.2 with any employee of the Transferor Company No.2. The Transferee Company agrees that for the purpose of payment of any



retrenchment, compensation, gratuity and other terminal benefits, the past services of such employees with the Transferor Company No.2 shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

13. AMENDMENT TO OBJECTS CLAUSE OF MEMORANDUM OF ASSOCIATION OF THE TRANSFEREE COMPANY

13.1. Upon coming into effect of the Scheme and with effect from the Appointed Date, following sub clause nos. 14 and 15, shall stand inserted in the objects clause of the memorandum of association of the Transferee Company after clause III (A) (13) to read as follows without any further act or deed by the Transferee Company:

14. *To carry on the business of designing, manufacturing, erecting, installation, commissioning, importing, exporting, buying, selling, exchanging, distributing, repairing and servicing of Railway Signalling, Telecommunication Equipment, any other Equipment related to Railways and Train Control Systems.*

15. *To carry on the business of development of Geographical Information System, Railway Signalling Software related to railways.*

13.2. In order to carry on the activities currently being carried on by the Transferor Company No.2, upon the approval of the Scheme by the shareholders of the Transferee Company, it shall be deemed that the members of the Transferee Company have also resolved and accorded all relevant consents under Section 13 of Companies Act, 2013. It is clarified that there shall be no need to pass a separate resolution by shareholders pursuant to Section 13 of the Companies Act, 2013, for the amendment of



the memorandum of association of the Transferee Company for the
aforesaid insertion in its main objects clause.

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PART – III

**CONSIDERATION FOR AMALGAMATION AND CLUBBING OF THE
AUTHORISED CAPITAL OF THE TRANSFEROR COMPANIES**

14. CONSIDERATION FOR AMALGAMATION

Since the Transferor Companies being wholly owned subsidiaries of the Transferee Company are being amalgamated with the Transferee Company there would be no issue of shares pursuant to the amalgamation. The entire issued and paid up share capital of the Transferor Company No 1 and Transferor Company No.2 held by the Transferee Company including through its nominees shall stand cancelled upon the Scheme being effective in terms hereof.

15. CLUBBING OF THE AUTHORISED CAPITAL OF THE TRANSFEROR COMPANIES

The Memorandum and Articles of Association of the Transferee Company (relating to authorized share capital) shall without any further act, instrument or deed, be and stand altered, modified and amended, and the consent to the Scheme as obtained shall be deemed to be sufficient for the purpose of effecting this amendment, and no further resolution(s) under Section 13, 14, 61 or any other applicable provisions of the Act would be required to be separately passed, as the case may be, and for this purpose the stamp duty and fees paid on the authorised share capital of the Transferor Companies, to the extent transferred and clubbed pursuant to this clause 15, shall be utilised and applied to the increased authorised share capital of Transferee Company and there would be no requirement for any other further payment of stamp duty and / or fee by the Transferee Company for the increase in the authorised share capital to that extent.



Pursuant to the Scheme becoming effective and in terms of this clause 15, the authorised share capital of Transferee Company shall stand increased by the authorised share capital of Transferor Company No.1 of Rs. 8,00,00,000 and that of the Transferor Company No.2 of Rs. 3,50,00,000 to read as under:

AUTHORISED CAPITAL:	Rs.
80,75,00,000 Equity Shares of Rs.2/- each -	1,61,50,00,000

It is clarified that Clause V of the Memorandum of Association of the Transferee Company in so far as the number of shares comprised in its authorised capital are concerned shall stand revised by virtue of the Scheme in accordance with this clause 15.

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PART – IV

TRANSACTIONS BETWEEN THE APPOINTED DATE AND THE EFFECTIVE DATE

16. During the period from the Appointed Date to the Effective Date:

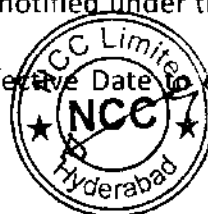
- (a) Each of Transferor Companies shall carry on and be deemed to have carried on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of its business and Undertaking for and on account of and in trust for the Transferee Company.
- (b) The Transferor Companies shall carry on their business and activities in the ordinary course of business with reasonable diligence and business prudence.
- (c) All the profits or income accruing or arising to the Transferor Companies or expenditure or losses incurred or arising to the Transferor Companies, shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company.
- (d) The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Government Authorities concerned, as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require for carrying on the business of the Transferor Companies.
- (e) The Transferor Companies shall carry on their business, operations or activities with reasonable diligence and business prudence and in the same manner as they had been doing hitherto and shall not venture into/expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business, without the prior consent of the Transferee Company.
- (f) The Transferee Company and the Transferor Companies shall also be entitled to make an application for amending, cancelling or obtaining fresh registrations, as the case may be, under all applicable laws and legislations. The Transferee Company and the Transferor Companies would be entitled to make an application for amending licenses/authorisations.



17. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

Upon the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books of account with effect from the Appointed Date as under:

- (a) The Transferee Company shall account for the Scheme in its books of accounts in accordance with accounting prescribed under “pooling of interest” method in Indian Accounting Standard (Ind AS) 103 – Business Combinations as notified under Section 133 of the Companies Act, 2013, read together with paragraph 3 of The Companies (Indian Accounting Standard) Rules, 2015.
- (b) All the assets and liabilities of the Transferor Companies transferred to and vested in Transferee Company pursuant to the Scheme shall be recorded by Transferee Company at their respective book values as appearing in the books of the Transferor Companies.
- (c) The investments in the books of the Transferee Company with respect to the share capital as appearing in the books of accounts of the Transferor Company No 1 and Transferor Company No 2 shall stand cancelled without following the procedure laid down in section 66 of the Companies Act, 2013 pursuant to the Scheme and any adjustment, if required, therefrom shall be made by the Transferee Company to its reserves.
- (d) In case of any difference in accounting policy between the Transferor Companies and the Transferee Company, the impact of the same till the Appointed Date will be quantified and recorded in accordance with applicable Accounting Standards notified under the Act or under the law applicable on or after the Effective Date to ensure that the



financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

- (e) The identity of the reserves of the Transferor Companies to the extent possible shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner in which they appear in the financial statements of the respective Transferor Company, prior to this Scheme being made effective.
- (f) Intercompany loans, investments and other balances and obligations, if any, between the Transferor Companies and the Transferee Company, on the Appointed Date shall stand cancelled and extinguished and corresponding effect shall be given in the books of the Transferee Companies for the reduction of any assets or liabilities, as the case may be.
- (g) This Scheme is in compliance with Section 2 (1B) of the Income Tax Act, 1961 and is intended to be implemented accordingly.

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PART – V

GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME

AND OTHER MATTERS CONSEQUENTIAL THERETO

18. DISSOLUTION OF THE TRANSFEROR COMPANIES

With effect from the Effective Date, the Transferor Company No.1 and the Transferor Company No.2 shall stand dissolved without being wound up.

19. CONSEQUENTIAL MATTERS RELATING TO TAX AND COMPLIANCE WITH TAX LAW

19.1 This Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified in Section 2 (1B) and other relevant provisions of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section and other related provisions of the Income Tax Act, 1961 at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section and other related provisions of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent required to comply with Section 2 (1B) and other relevant provisions of the Income Tax Act, 1961.

19.2 Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its Income Tax returns, GST returns, Sales Tax / VAT returns, CENVAT returns, service tax returns, other tax returns, and related tax deducted at source (“TDS”) certificates and to restore as Cenvat credit of service tax adjusted earlier or claim refunds / credits and the right to claim refund, advance tax credits, minimum alternate tax (“MAT”) credits and adjustments, etc., if any, and have expressly reserved the right to make such revisions in the Income Tax returns and related TDS certificates and



the right to claim refund, advance tax credits, Cenvat Credits, Input Tax Credits etc. pursuant to the sanction of this Scheme.

19.3 The tax payments (including without limitation income tax, service tax, GST, excise duty, central Sales tax, applicable state value added tax) whether by way of tax deducted at source, advance tax or otherwise howsoever by the respective Transferor Companies after the Appointed Date in relation to the respective Undertaking of the Transferor Companies shall be deemed to be paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

19.4 Any refund under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax , applicable state value added tax laws or other applicable laws/regulations dealing with taxes, duties, levies due to any of the Transferor Companies consequent to the assessment made on such Transferor Company (including any refund for which no credit is taken in the books of accounts of the Transferor Company) as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company upon the Scheme becoming effective.

19.5 Without prejudice to the foregoing, it is clarified that TDS credit/ TDS certificates which are pertaining to income relating to Undertaking of the respective Transferor Companies pertaining to the period on and after the Appointed Date shall without any further act or deed be and stand transferred to the Transferee Company. It is further clarified that advance tax paid by respective Transferor Companies towards discharging the income tax liability pertaining to the income earned during the period prior to the Appointed date shall belong to and be considered as advance tax paid by the Transferee Company. Further, it is also clarified that advance tax paid by the respective Transferor Companies towards discharging the income tax liability pertaining to the income earned on and after the



Appointed Date and up to the Effective Date, in so far as such tax liability is in relation to the respective Undertakings of such Transferor Companies shall upon the sanction of the Scheme by the NCLT, without any further act or deed be and stand transferred to and shall be to the benefit of the Transferee Company.

19.6 In accordance with the Central Goods and Services Tax (CGST) Rules, 2017, as are prevalent on the Effective Date, the unutilised credits relating to excise duties/service taxes paid on inputs / capital goods / input services, GST lying in the accounts of the Undertaking of the respective Transferor Companies shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilised credits were lying to the account of the Transferee Company. The Transferee Company shall be accordingly entitled to set off all such unutilised credits against the excise duty / service tax/GST payable by it.

20. SAVING OF CONCLUDED TRANSACTIONS

Subject to Clause 19 above, the transfer of assets and liabilities to, and the continuance of proceedings by or against, the Transferee Company as envisaged in this Scheme shall not affect any transaction or proceedings already concluded by the Transferor Companies on or before the Appointed Date (subject to the terms of any agreement with the Transferee Company) to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in respect thereto as done and executed on behalf of itself.

21. APPROVALS AND MODIFICATIONS

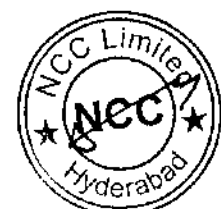
21.1. MODIFICATION OR AMENDMENTS TO THE SCHEME



(a). The Transferee Company and the Transferor Companies by their respective Board of Directors or sole shareholder, as applicable, or any person(s) or committee authorised/appointed by them, may carry out or assent to any modifications/amendments to the Scheme or to any conditions or limitations that the National Company Law Tribunal and/or the Reserve Bank of India and/or Securities and Exchange Board of India or any other Government Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e., the Board of Directors or sole shareholder, as applicable, or the person(s)/committee). The Transferee Company and the Transferor Companies by their respective Board of Directors or sole shareholder, as applicable, any person(s) or committee authorised or appointed by them, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any Government Authority or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. The Transferee Company and the Transferor Companies shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the National Company Law Tribunal or any other authority. The aforesaid powers of the Transferor Companies and the Transferee Company may be exercised by their respective boards of directors, a committee or committees of the board or director being duly authorised by their respective boards, (hereafter referred as the "delegates").



- (b). For the purpose of giving effect to the Scheme or any modifications or amendments thereof or additions thereto the delegate(s) of the Transferor Companies and the Transferee Company may jointly give and are hereby authorised respectively to determine and give all such directions as are necessary including directions for settling or removing any difficulties, as the case may be, which shall be binding on all parties in the same manner as if the same were specifically incorporated in the Scheme.
- (c). After the dissolution of the Transferor Companies, the Transferee Company acting through its board of directors or other persons, duly authorised by its board in this regard, shall be authorised, to take such steps, as may be necessary, desirable or proper to resolve any doubts, difficulties or questions that may arise, whether by reasons of any order of the Tribunal or of any directive or order of any other authorities or otherwise, in connection with this Scheme and/or matters concerning or connected therewith.
- (d). If any part of this Scheme is ruled illegal or invalid by Tribunal or any other competent authority, or is unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.



(e). Upon and after the Scheme becomes effective, the Transferee Company shall be entitled to operate all bank accounts of each of the Transferor Companies and realise all monies and complete and enforce all pending contracts and transactions in respect of the relevant Transferor Company in the name of the Transferee Company in so far as may be necessary until such time that the names of the bank accounts of the Transferor Companies are replaced with that of the Transferee Company.

21.2 In case any doubt or difference or issue shall arise among the Transferor Companies and the Transferee Company or any of their shareholders, creditors, employees and/or persons entitled to or claiming any right to any shares in the Transferor Companies or the Transferee Company, as to the construction of this Scheme or as to any account, valuation or apportionment to be taken or made in connection herewith or as to any other aspects contained in or relating to or arising out of this Scheme, the same shall be amicably settled between the Board of Directors/sole shareholder, as applicable, of the Transferor Companies and the Board of Directors of the Transferee Company and the decision arrived at therein shall be final and binding on all concerned.

22. SCHEME CONDITIONAL UPON

This Scheme is conditional upon the following approvals:

- (a). the approval of the Scheme by the requisite majority of the members and creditors, if any, of the respective Transferor Companies and the Transferee Company, as required under Section 230 of the Act ;
- (b). the sanction of the Scheme by the Tribunal under Sections 230 and 232 of the Act and other applicable provisions of the Act, rules and regulations;



23. COSTS, CHARGES AND EXPENSES

Upon the Scheme becoming effective, all costs, charges, taxes including stamp duties, levies and all other expenses, if any, of the respective Transferor Companies and the Transferee Company arising out of or incurred in carrying out and implementing the Scheme and matters incidental thereto, shall be borne and paid by the Transferee Company (save as otherwise expressly agreed in writing) Company and the same shall be eligible for deduction of expenditure incurred as per section 35DD of the Income-tax Act, 1961.

24. SANCTION AND APPROVALS NOT FORTHCOMING

Save and except in respect of any act or deed done prior thereto as is contemplated hereunder, or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law, the Scheme shall stand revoked, cancelled and be of no effect if in the event any of the sanctions and approvals referred to in Clause 22 have not occurred or have not been obtained.

25. The Transferee Company shall have liberty to apply to the Tribunal for necessary direction to remove difficulties, if any, in implementing the scheme.





NCC

Certified copy of the resolution passed at the meeting Board of Directors held on 28th December, 2019 at the Registered Office of the Company.

To consider and approve the draft "Scheme of Arrangement" for the Merger of Vaidehi Avenues Limited and Aster Rail Private Limited (Wholly Owned Subsidiaries) and NCC Limited (Holding Company)

RESOLVED THAT pursuant to the provisions of Section 230 and 232 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and subject to the approval of the National Company Law Tribunal ("NCLT") and such other necessary approvals as may be required, the consent of the Board be and is hereby provided for the merger of Vaidehi Avenues Limited and Aster Rail Private Limited with NCC Limited with effect from the appointed date i.e. 1st April, 2019 or such other date as may be fixed by the NCLT.

RESOLVED FURTHER THAT the draft "Scheme of Arrangement between Vaidehi Avenues Limited, Aster Rail Private Limited and NCC Limited and their respective shareholders" submitted to this meeting be and is hereby approved.

RESOLVED FURTHER THAT Sri A A V Ranga Raju, Managing Director, Sri A G K Raju, Executive Director, Sri R S Raju, Associate Director (F&A) and CFO and Sri M V Srinivasa Murthy, Company Secretary & EVP (Legal), be and are hereby severally authorised to make such alterations and changes in the "Scheme of Arrangement" as may be expedient or necessary for satisfying the requirement or conditions imposed by the NCLT or any statutory authorities .

RESOLVED FURTHER THAT the draft report to be adopted pursuant to Section 232 (2)(c) of the Companies Act, 2013 in relation to the effect of the Scheme on the shareholders, KMPs, Promoters and non promoter shareholders, as placed before the meeting be and is hereby approved and Sri A A V Ranga Raju, Managing director and Sri A G K Raju, Executive Director be and are hereby severally authorized to sign and issue the same on behalf of the Board.

RESOLVED FURTHER THAT the Executive Committee of the Board be and is hereby authorized to consider and accord such other approvals /consents as may be required in connection with the Merger of the said wholly owned Subsidiaries with the Company.

RESOLVED FURTHER THAT Sri A A V Ranga Raju, Managing Director, Sri A G K Raju, Executive Director, Sri R S Raju, Associate Director (F&A) and CFO and Sri M V Srinivasa Murthy, Company Secretary & EVP (Legal), be and are hereby severally authorised to monitor the process connected with the "Scheme of Arrangement" and to deal with all matters connected, consequential and incidental to procuring sanction, implementation and execution of the "Scheme of Arrangement" and in particular, take all the necessary steps in

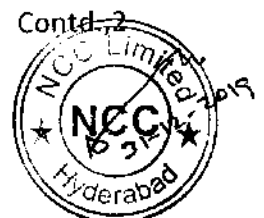
order:

NCC Limited

(Formerly Nagarjuna Construction Company Limited)

CIN: L72200TG1990PLC011146

NCC House, Madhapur, Hyderabad 500 081 T +91 40 2326 8888 F +91 40 2312 5555 ncclimited.com



- i. to prepare, sign and file affidavits, petitions, pleadings, applications (jointly or otherwise with other participating companies) or initiate any other proceedings incidental or deemed necessary or useful in connection with the above proceedings and to engage counsel, advocates and other professionals and sign and issue public advertisements and notices, if required;
- ii. to sign all applications, petitions, documents, related to the "Scheme of Arrangement";
- iii. to file the Scheme and / or any other information / details with the concerned Stock Exchanges in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CF/DIL3/CIR/2017/21 date 10th March 2017, as amended ("SEBI Circular").
- iv. to sign and file Joint Applications / Joint Petitions together with Vaidehi Avenues Limited and Aster Rail Private Limited before the Tribunal for directions for holding / dispensing with meeting of the members and the creditors respectively and for confirmation of the "Scheme of Arrangement" and to sign and file affidavits in this connection;
- v. to file applications, representations, returns, revised returns and other documents with the statutory and other authorities as may be required;
- vi. to file all pleadings, reports and sign and issue public advertisements and notices in relation to the said "Scheme of Arrangement";
- vii. to settle any question or difficulty that may arise with regard to the implementation of the above "Scheme of Arrangement" and to give effect to the above resolution;
- viii. to grant such approvals / sign affidavits as may be required conveying the consent of the Company as a shareholder of Vaidehi Avenues Limited and Aster Rail Private Limited to the Scheme of Arrangement and seeking dispensation from holding meeting of members of such companies.
- ix. to do all further acts, deeds, matters and things as may be necessary, proper or expedient to give effect to the "Scheme of Arrangement" and for matters connected therewith or incidental thereto.

**// Certified True Copy//
For NCC Limited**

31-12-2017
M V Srinivasa Murthy

Company Secretary & EVP(Legal)





NCC

Ref. No.: NCCL/Regulation 30/ 2019

Date : 28-12-2019

The Secretary
National Stock Exchange of India Ltd
5th Floor, Exchange Plaza
Bandra – Kurla Complex
Bandra (E)
MUMBAI - 500 051.

The Secretary
BSE Limited,
Rotunda Building, P J Towers
Dalal Street, Fort
MUMBAI - 400 001.

Dear Sir(s),

Scrip Code : NSE: NCC & BSE : 500294

Sub: Intimation under Regulation 30 of SEBI(LODR) Regulations,2015 read with SEBI Circular No.CIR/CFD/CMD/4/2015 dated 09-09-2015

The Board of Directors of the Company at its meeting held on 28th December,2019 considered and approved a Scheme of Amalgamation ("Scheme") pursuant to section 230 to 232 and other relevant provisions of the Companies Act,2013 and Rules made there under, providing for the merger of two wholly owned Subsidiaries of the Company i.e., 1) Aster Rail Private Ltd and 2) Vaidehi Avenues Limited with NCC Limited.

The Scheme is subject to necessary statutory and regulatory approvals under applicable laws including approval of the shareholders of the Transferor and Transferee Companies and approval of the National Company Law Tribunal, Hyderabad Bench .

Pursuant to regulation 30 of the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 09 September, 2015, we are furnishing the information as per annexure enclosed.

The meeting of the Board of Directors started at 3.30 p.m and concluded at 4-30 am p.m.

Thanking you,

Yours faithfully

For NCC LIMITED.

28-12-2019
M V Srinivasa Murthy
Company Secretary & EVP (Legal)
Encl : As above



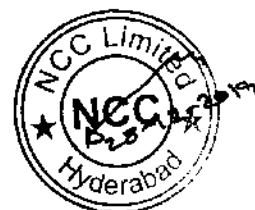
NCC Limited

(Formerly Nagarjuna Construction Company Limited)

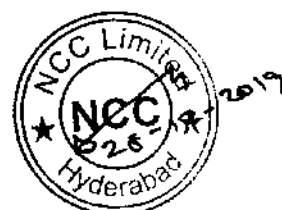
CIN: L72200TG1990PLC011146

NCC House, Madhapur, Hyderabad 500 081 T +91 40 2326 8888 F +91 40 2312 5555 ncclimited.com

Sl.No	Particulars	Description
1	Name of the entities forming part of the amalgamation/merger, details in brief such as size, turnover etc.,	<p>I. Transferor Companies</p> <p>a. Vaidehi Avenues Limited b. Aster Rail Private Limited</p> <p>II. Transferee Company NCC Limited</p> <p>III. The Scheme of amalgamation provides for merger of Vaidehi Avenues Ltd and Aster Rail Private Ltd(Transferor Companies) with NCC Limited(Transferee Company) pursuant to section 230 to 232 and other relevant provisions of the Companies Act,2013. Both the Transferor Companies are Wholly owned Subsidiaries of the Transferee Company.</p> <p>IV. Turnover/ Revenue for the year ended March 31,2019</p> <p>Vaidehi Avenues Limited - NIL. Aster Rail Private Limited-Rs.3009.12 lakhs NCC Limited - Rs. 12079.76 crores</p>
2	Whether the transaction would fall within related party transaction? If yes, whether the same is done at "arms length"	<p>The Transferor Companies are Wholly owned Subsidiaries of the Transferee Company. Hence, the transaction falls within the ambit of related party transaction.</p> <p>However, the Ministry of Corporate Affairs through a General Circular No. 30/2014 dated 17th July, 2014 has clarified that transactions arising out of Compromises, Arrangements and Amlagamations dealt with under specific provisions of the Companies Act, 1956/Companies Act, 2013, will not attract the requirements of section 188 of the Companies Act, 2013.</p> <p>Further, as per Regulation 23(5)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the related party transaction provisions are not applicable to a transaction between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for their approval.</p>



3	Area of business of the entities	<p>I. Transferor Companies:</p> <p>i. Vaidehi Avenues Limited is engaged in the business of acquiring and holding land and developing and maintaining stock yards.</p> <p>ii. Aster Rail Private Limited is primarily engaged in the business of designing, manufacturing, erection, installation, repairing and servicing of Railway signalling, telecommunication equipment and other equipment related to railways and train control systems.</p> <p>II. Transferee Company</p> <p>NCC Limited is primarily engaged in the business of Construction, Engineering and Infrastructure Development activities.</p>
4	Rational amalgamation/merger for	<ul style="list-style-type: none"> • The rationale for the proposed Scheme of Arrangement inter alia are summarised below: • would enable consolidation of businesses under one roof and will result in a simplified corporate structure and direct control of assets of the Transferor Companies in the hands of the Transferee Company; • focused strategic leadership and top management attention so as to integrate the business synergies and reap the benefits of consolidation; • Reduce the number of legal entities in the group thereby reducing managerial overlaps, which are necessarily involved in running multiple entities would channelize synergies; • enable optimum utilization of the available resources, broadening the customer base besides enabling a focused business approach for achieving optimization; • would enable to achieve higher long-term financial returns and inculcation of greater financial strength and flexibility than could be achieved by the companies individually; • would result in greater rationalization and help reduce duplication of systems and processes;



5	Consideration under Merger	Since, the Transferor Companies are wholly owned subsidiaries of the Transferee Company, upon the Scheme coming into effect, all equity shares of the Transferor Companies held by the Transferor Company (either directly or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued or any payment made in cash whatsoever by the Transferee Company in lieu of shares of the Transferor Companies pursuant to the Scheme of Arrangement.
6	Brief details of change in shareholding pattern(if any) of listed entity	Since there will be no issue of shares pursuant to the Scheme of Arrangement, there would be no change in the shareholding pattern of the Transferee Company.

