IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
DIVISION BENCH
COURT - 1

ITEM No.143

C.P.(CAA)/17(AHM)2022 in
C.A.(CAA)/17(AHM)2021

Order under Section 230-232 of the Companies Act, 2013.

IN THE MATTER OF:

Suzlon Gujarat Wind Park Pvt Ltd **.....Applicants**
Suzlon Global Services Ltd

Order delivered on ..28/09/2022

Coram:

Dr. Madan B. Gosavi, Hon'ble Member(J)
Kaushalendra Kumar Singh, Hon'ble Member(T)

PRESENT:

For the Applicant :
For the Respondent :

ORDER

The case is fixed for the pronouncement of the order. The order is pronounced in the open court, vide separate sheet.

-SD- -SD-

KAUSHALENDRA KUMAR
MEMBER (TECHNICAL)

DR. MADAN B GOSAVI
MEMBER (JUDICIAL)

IN THE NATIONAL COMPANY LAW TRIBUNAL

AHMEDABAD

COURT –1

CP (CAA) NO. 17 / AHM/ 2022

In

CA (CAA) NO. 17/AHM/ 2021

[Sections 230-232 and read with other applicable provisions of the Companies Act 2013]

Scheme of Arrangement

Between

Suzlon Gujarat Wind Park Limited

(Petitioner Demerged Company/Demerged Company)

And

Suzlon Global Services Limited

(Petitioner Resulting Company/Resulting Company)

And

Their Respective Shareholders

Order pronounced on: 28.09.2022.

CORAM:

Dr. Madan B Gosavi, Hon'ble Member (Judicial)

Kaushalendra Kumar Singh, Hon'ble Member (Technical)

In the matter of

Suzlon Gujarat Wind Park Limited,
(CIN: U40108GJ2004PLC044409) a public limited company incorporated under the Companies Act, 1956 having registered office at Suzlon, 5 Shrimali Society, Nr. Shri Krishna Complex, Navrangpura, Ahmedabad-380009.

.... Petitioner Demerged Company/
Demerged Company

And

Suzlon Global Services Limited,
(CIN: U27109GJ2004PLC044170) a public limited company incorporated under the Companies Act, 1956 having registered office at Suzlon, 5 Shrimali Society, Nr. Shri Krishna Complex, Navrangpura, Ahmedabad-380009.

.... Petitioner Resulting Company/
Resulting Company

Appearance: Ms. Dharmishta Raval, Advocate for the Petitioner.
Mr. Puneet Kumar Duggal, Joint Director for the Regional Director, Ms Dhruvi Trivedi, Adv. for the Income Tax.

ORDER

1. The present joint Company Petition is filed under section 230-232 of the Companies Act, 2013 read with Companies (Compromise, Arrangement and Amalgamations) Rules, 2016 by the Petitioner Companies seeking approval of the Scheme of Arrangement for the demerger of Project Execution Business (Business Undertaking I) and Power Evacuation Business (Business Undertaking II) of Suzlon Gujarat Wind Park Limited ("**Petitioner Demerged Company")** into Suzlon Global Services Limited (**"Petitioner Resulting Company")** and their respective Shareholders with the effect from 2nd April 2020, being the Appointed date as mentioned in the Scheme.

2. As per the Scheme of Arrangement the Business Undertaking I and Business Undertaking II of the Demerged Company, shall be transferred to the Resulting Company, along with entire asset and liabilities pertaining to the Business Undertaking I and Business Undertaking II, with effect from the Appointed date of the Scheme.

3. The Petitioner Companies had filed a joint application before this Tribunal being CA(CAA) No. 17(AHM)2021, seeking dispensation of the meeting of Equity Shareholders and direction for meeting of Unsecured Creditors and Secured Creditors of the Petitioner Companies. This Tribunal vide order dated 20.07.2021 dispensed with the meetings of the Equity Shareholders. The meetings of Secured Creditors as well as Unsecured Creditors of the Petitioner Companies were directed to be convened on 31st August, 2021.

4. The meeting of Unsecured Creditors was held on 31st August 2021, however, the meetings of Secured Creditors were adjourned time to time due to non-availability of Secured Creditors. The meeting of Secured Creditors was finally held on 22nd January 2022.

5. By the order dated 20.07.2021, passed in CA (CAA) No.17 of 2021, this Tribunal had directed the Applicant Companies to serve Notice of the Scheme in compliance with Section 230(5) of the Companies Act, 2013 in the Form 'CAA-3' along with disclosures mentioned under Rule 6 to (i) the Central Government through the Regional Director, North Western Region, (ii) the Registrar of Companies, Gujarat and (iii) the Income Tax Authorities concerned stating that representations, if any, to be made within a period of 30 days from the date of receipt of such notice, failing which it shall be presumed that the authorities have no representation to make on the proposed Scheme. In compliance with the order dated 20.07.2021, the Petitioner Companies have served notices to the Central Government through the Regional Director, North-Western Region, the Registrar of Companies, Gujarat, the concerned Income Tax on 29.07.2021. The Petitioner Companies have filed their separate affidavits of service, all dated 27.08.2021.

6. The Petitioner Companies had also filed an application i.e. IA/5(AHM)2021 seeking direction from this Tribunal for convening the meeting of Preference Shareholders. The said IA was allowed vide order dated 28th September 2021 with direction to convene the meeting of Preference Shareholders on 14th October, 2021. After multiple

adjournments, the meeting of Preference Shareholders was finally held on 22nd January, 2022.

7. The chairman report is filed as per Rule 14 of the Companies (CAA) Rules, 2016 on 31.01.2022.

8. The Petitioner Companies have jointly filed the present Company Petition being CP (CAA) No.17 of 2022 before this Tribunal on 09.02.2022 seeking sanction of the Scheme

9. This Tribunal by order dated 22.02.2022, admitted the petition and directed for publication of notice of hearing in "Financial Express" Ahmedabad edition in English and "Jansatta" Ahmedabad edition in Gujarati, not less than 10 days before the date fixed for hearing, calling for their objections, if any, on or before the date of hearing. This Tribunal also directed to issue notice to (a) Central Government through Regional Director (Northern- Western Region) at Ahmedabad, (b) Registrar of Companies at Ahmedabad, Gujarat, (c) to the Income Tax Department and to such other Sectoral Regulatory Authorities who may govern the working of the Petitioner Companies at least 30 days before the date fixed for hearing of the above Petition.

10. Pursuant to the order dated 22.02.2022 passed by this Tribunal, the Petitioner Companies have published the notice of hearing of the company petition in "Financial Express", Ahmedabad edition in English and "Jansatta" Ahmedabad edition in Gujarati on 09.03.2022. The affidavit of service, on behalf of the Petitioner Companies, dated 14.03.2022, has been filed confirming the

publication of the notice in the newspapers as directed and also the notice of hearing of the petition being served upon the concerned statutory authorities

11. In response to the notice received from the Petitioner Companies, the office of the Regional Director, North-Western Region (RD) filed its common report on 20.09.2022 along with the report of the Registrar of Companies (RoC). The observation made by the RD in various points of its report i.e. (1), 2(a), 2(b),....,2(k) and also of RoC are summarized here under:-

    a. The Directorate has received a notice under Section 230(5) of the Companies Act, 2013 on 29th July 2021 from petitioner companies. The Scheme proposes the demerger of demerged undertaking namely **"Project Execution Business" Undertaking-I and "Power Evacuation Business" Undertaking II** (as defined in the scheme) of the Petitioner Demerged Company namely Suzlon Gujarat Wind Park Limited with the Petitioner Resulting Company namely Suzlon Global Services Limited. Both the Petitioner Companies fall under the jurisdiction of this Directorate, North Western Region, Ahmedabad.

    b. Upon coming into effect of the scheme, all the assets and liabilities pertaining to demerged undertaking namely **"Project Execution Business" Undertaking-I and "Power Evacuation Business" Undertaking II** (as defined in the scheme) of the Demerged Company shall be transferred to the Resulting Company.

c. As per clause 15 and 25 of the scheme, The Demerged Company is wholly owned subsidiary of Suzlon Power Infrastructure Limited (SPIL), which in turn is wholly owned subsidiary of Suzlon Energy Limited. The amalgamation or merger of SPIL with Resulting Company is underway with the proposed appointed date being prior to the date proposed for this Scheme of Arrangement, and once approved, the Demerged Company will become the wholly-owned subsidiary of the Resulting Company, as on the appointed date of that Scheme.

   Therefore, by operation of law and upon demerger of the Business Undertaking I into Resulting Company, the Resulting Company will not be legally permitted to issue shares to itself. This Scheme does not, envisage, any consideration being payable, either in form of shares or any other form. Such opinion is confirmed by Independent Registered Valuer.

   In this regard the petitioner companies have submitted opinion/valuation report dated 31st January 2021 prepared by CA Jugal Doshi, Registered Valuer, Pune.

d. The Petitioner companies have stated at para 4 of the Scheme about Rationale for the Scheme which provides that "The Resulting Company is engaged in the business of Operations & Maintenance (O&M business) of wind turbine generators ("WTGs") and has large capacity of wind-turbine assets under its management. Such O&M business is a value-added service offered through its Wholly-owned subsidiary (WoS), by Suzlon Energy Limited being a manufacturer of wind-turbine generators. On the other hand, the Project Execution and Power

Evacuation business undertakings of the Demerged Company are also value-added services. Project Execution services are rendered at the time of setting up of wind-turbine power project and Power Evacuation facilities (Sub Station and Evacuation lines) are established prior to setting-up of wind-turbine power plant. Efficient and timely hand over of completed projects to O&M business ensures smooth transitioning of responsibilities from one stream to another. Power Evacuation facilities perform a very important role for customers in enabling transmission of power and its proper functioning is quite important so as to keep business risk and liabilities of O&M business under check. The management of both the companies believe that, consolidation of all the value-added services under one entity will align priorities right and will bring consolidation in enterprise value along with operational, administrative and financial synergies.

In addition to the above, following additional benefits are expected from this proposed Scheme:

- *The Demerged Company has financial liabilities and does not have sufficient resources to fund the said liabilities. The Resulting Company will have much better ability to help serve lenders on timely basis and in a compliant manner; hence, the demerger is in the best interest of both the companies as well as the lenders.*
- *The Demerged Company is also engaged in land acquisition, development and leasing business for the usage by wind-power plants. This risk profile of the land division is different than other main stream*

businesses. The subject Demerger will harmonize the risk profiles of the other divisions of the Demerged Company (being Project Execution and Power Evacuation) as they are getting transferred/ vested in the Resulting Company.

- *The Power Evacuation facilities getting transferred to the Resulting Company have strategic importance to the Resulting Company. For a sizeable fleet being currently serviced by the Resulting Company as a part of its O&M business, the power evacuation facilities are common and owned by the Demerged Company. Therefore, any risk to the Demerged Company on account of the land division can have adverse impact on the fleet serviced by the Resulting Company and consequently on the revenues of the Resulting Company. Accordingly, the consolidation of the power evacuation facilities with the O&M business would assume paramount commercial importance, especially from the perspective of any potential investor of the Resulting Company.*

e. The Regional Director further submits that the Hon'ble NCLT may be pleased to direct the petitioner companies to undertake the compliances of section 2(19AA) of the Income Tax Act in the matter, since this is a scheme of demerger.

f. The Regional Director also pointed out that Petitioner Resulting Company Suzlon Global Services Limited have Equity shareholders and Preference shareholders, however, as per Hon'ble NCLT order dated 20th July 2021, direction for dispensed with given only for Equity Shareholders. It is requested to direct the

Petitioner Resulting Company Suzlon Global Services Limited to take the consent/approval from preference shareholders and to place on record all the relevant facts of the matter.

g. The petitioner companies have not disclosed/ attached the complete list of assets which are proposed to be demerged and transferred to the Petitioner Resulting Company with the Scheme. It is requested to direct the petitioner companies to submit the complete list and full details of assets which are proposed to be transferred to the Resulting Company through this.

h. The petitioner Resulting Company has submitted letter dated 16th August 2021 pursuant to this Directorate's letter dated 30th March 2021 and provided the details of Auditors' remarks during last three years and their respective justification as given in the Directors' Reports in terms of Section 134 of the Companies Act, 2013 in respect of the Demerged Company and the Resulting Company, which are as under:

<u>"Demerged Company" or SGWPL:</u>

<u>FY 2020-21:</u>

i) In respect of Note 2.5 b of the financial statements regarding Covid-19 pandemic and its implication on management's assessment of the Company's ability to generate sufficient cash flow to meet its financial obligations in the foreseeable future under such undetermined circumstances.

It is clarified that the Company has considered the possible effects that may result from the pandemic relating to Covid-19 on the carrying

amounts of property, plant and equipment, inventories, receivable, other assets and liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic and impact of the same on future performance, the Company has used information form internal and external sources including likely impact on the industry. The company based on the current estimates, expects the carrying amount of these assets will be recovered. The impact of Covid-19 on the Company's financial statements may differ from that estimated. However, the Company believes that the difference should not be significant.

FY 2019-20

i) In respect of Note 37 of the financial statements regarding use of going concern assumption for the preparation of financial statements due to existence of various defaults in repayment of credit facilities and interest to lenders and in making payments to overdue creditors during the year.

It is clarified the subsequent to balance sheet date the debt (including interest due) of the Company and STG has been restructured with the unanimous approval of the lenders which includes waiver of existing defaults, events of defaults and penal interest and charges and waiver of right to recompense under the existing agreements as described in more details in Note 13c to the Ind AS financial statements. These

events will enable its parent company SEL and the Company to mitigate the uncertainty about the going concern. Accordingly, these financial statements have been prepared on the basis that the Company is going concern.

ii) *In respect of Note 2.5 (a) of the financial statements regarding Covid-19 pandemic and its implication on management's assessment of the Company's ability to generate sufficient cash flow to meet its financial obligations in the foreseeable future under such undetermined circumstances.*

It is clarified that the Company has considered the possible effects that may result from the pandemic relating to Covid-19 on the carrying amounts of property, plant and equipment, intangible assets, inventories, receivable, other assets and liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic and impact of the same on future performance, the Company has used information form internal and external sources including likely impact on the industry. The company based on the current estimates, expects the carrying amount of these assets will be recovered. The impact of Covid-19 on the Company's financial statements may differ from that estimated. However, the Company believes that the difference should not be significant.

[

iii) *In respect of auditors' observation in financial statements regarding certain defaults in payment*

of interest and repayment of dues to financial institutions and banks and delay in depositing statutory dues.

The delay arose on account of liquidity shortage due to losses, delay in timely realization of certain receivables from the customers and prevailing uncertain economic environment that adversely impacted the sales volumes.

FY 2018-19

i) In respect of Note 37 (b) of the financial statements regarding use of going concern assumption for the preparation of financial statements due to existence of various defaults in repayment of credit facilities payable to lenders and to the banks who have issued standby letter of credit (SBLC) for loan taken by one of the fellow subsidiary company.

Subsequent to default in repayment of principal and interest payable to lenders, the lenders have allowed continuation of operations, permitting usage of 90% cash inflow towards business requirement having invoked Inter Creditors Agreement (ICA) mechanism under 'Project Sashakt' for resolution. The Company is dependent on the direct and indirect financial support from the ultimate parent company, Suzlon Energy Limited ('SEL') SEL is working towards a resolution plan with its lenders and has a received and non-binding offer from a potential investor contemplating infusion of additional equity in SEL, purchase of a business line by the lenders which will enable SEL and

the Company to scale up its operations and meet the remaining financial obligations including that of the Company. Accordingly, these financial statements have been prepared on the basis that the Company is a going concern.

ii) In respect of auditors' observation in financial statements regarding certain defaults in payments of interest and repayments of dues to financial institutions and banks and delay in depositing statutory dues.

The delay arose on account of liquidity shortage due to losses, delay in timely realization of certain receivables from the customers and prevailing uncertain economic environment that adversely impacted the sales volumes.

Resulting Company or SGSL:

FY 2020-21

i) In respect of Note 2.5 b of the financial statements regarding Covid-19 pandemic and its implication on management's assessment of the Company's ability to generate sufficient cash flow to meet its financial obligations in the foreseeable future under such undetermined circumstances.

It is clarified that the Company has considered the possible effects that may result from the pandemic relating to Covid-19 on the carrying amounts of property, plant and equipment, inventories, receivable, other assets and liabilities. In developing the assumptions relating to the possible future uncertainties in the global

economic conditions because of this pandemic and impact of the same on future performance, the Company has used information form internal and external sources including likely impact on the industry. The company based on the current estimates, expects the carrying amount of these assets will be recovered. The impact of Covid-19 on the Company's financial statements may differ from that estimated. However, the Company believes that the difference should not be significant.

<u>FY 2019-20</u>

i) *In respect of Note 2.5 b of the financial statements regarding Covid-19 pandemic and its implication on management's assessment of the Company's ability to generate sufficient cash flow to meet its financial obligations in the foreseeable future under such undetermined circumstances.*

It is clarified that the Company has considered the possible effects that may result from the pandemic relating to Covid-19 on the carrying amounts of property, plant and equipment, inventories, receivable, other assets and liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic and impact of the same on future performance, the Company has used information form internal and external sources including likely impact on the industry. The company based on the current estimates, expects the carrying amount of these

assets will be recovered. The impact of Covid-19 on the Company's financial statements may differ from that estimated. However, the Company believes that the difference should not be significant.

ii) In respect of auditors' observation in financial statements regarding certain defaults in payments of interest and repayments of dues to financial institutions and banks and delay in depositing statutory dues.

It is clarified that the Company together with the parent company and its identified subsidiaries and a joint ventures (collectively known as The Group) are part of Corporate Debt Restructuring ('CDR') package. The Group is under liquidity stress. Since the Company is part of the financing arrangement, the delay arose on account of liquidity shortage at The Group level resulting in default in repayment of loans and delay in depositing statutory dues.

<u>FY 2018-19</u>

i) In respect of auditors' observation in financial statements regarding certain defaults in payments of interest and repayments of dues to financial institutions and banks and delay in depositing statutory dues.

It is clarified that the Company together with the parent company and its identified subsidiaries and a joint ventures (collectively known as The Group) are part of Corporate Debt Restructuring ('CDR') package. The Group is under liquidity

stress. Since the Company is part of the financing arrangement, the delay arose on account of liquidity shortage at The Group level resulting in default in repayment of loans and delay in depositing statutory dues.

The Hon'ble NCLT may therefore be pleased to direct the applicant Companies to place on record all the relevant facts of the matter.

i. The report of the Registrar of Companies, Ahmedabad, Gujarat has been received vide his letter No. ROC-GJ/32/Sec. 230-232/Suzlon Global/2020-21/3082 dated 06th September 2021 and as per the said report, there are no complaints against the Petitioner companies and also there is no compliant against the scheme of Arrangement of the Companies.

j. The related legal fees/ expenses of the office of the Regional Director Submitting this report and representing the matter on behalf of the Central Government may kindly be paid by the applicant company (ies) to the Central Government. Therefore, this Hon'ble NCLT may be pleased to direct the applicant company (ies) to pay such amount of legal fees/ cost to the Central Government which may be considered appropriate by this Hon'ble NCLT.

12. The Petitioner Companies has filed an affidavit in response to the common report submitted by the Regional Director with ROC and has given the following undertakings: -

i) With reference to Para (1), 2(a), 2(b), 2(c), 2(d), 2(i) & 2(k) of the RD Report, there are no comments to offer.

ii) With reference to Para 2(e) of the RD Report, the Petitioner Companies undertakes to comply with Section 2(19AA) of the Income Tax Act, 1961.

iii) With reference Para 2(f) of the RD Report, it is stated that subsequently the Petitioner Companies had obtained orders from this Company Law Tribunal to hold meeting of the Preference Shareholders. The meeting was conducted and the Preference Shareholders have approved the Resolutions for obtaining the sanction to the Scheme. The Chairman appointed for the meeting has also filed his report.

iv) With reference Para 2(g) of the RD Report and observations of the Registrar of Companies in its Report dated 20th September 2021, it is submitted that the complete list of assets and liabilities being demerged for each project is enclosed herewith in Exhibit-1.

v) With reference Para 2(h) of the RD Report and observations of the Registrar of Companies in its Report dated 20th September 2021, it is submitted that the petitioner company is a subsidiary of Suzlon Group, which was under liquidity stress during the financial years 2018-19 & 2019-20. Owing to the same, a Corporate Debt Restructuring of the Promoter Group including the Petitioner

Company was approved with consent of the lenders in the year 2020 and has been implemented. An announcement of the approval of the restructuring proposal made by the Holding Company with the Stock Exchange on 27th February 2020 is submitted herewith as Exhibit-2. Hence, it is submitted that the observations referred to have no implications on this petition for amalgamation.

vi) With reference to Para 2(j) of the RD Report, the Petitioner Companies will pay such legal fee as directed by this Hon'ble Tribunal.

13. The Income Tax Department filed its Report dated 24th June 2022 stating that there are no outstanding dues in relation to Petitioner Company.

14. In response to the notice to the Official Liquidator (OL), the OL has submitted his separate report dated 02.05.2022 with respect to the Demerged Company wherein the OL has prayed for directions to be issued to preserve its books of accounts, papers and records and shall not be disposed of without prior permission of Central Government as per the Provisions of the Section 239 of the Companies Act, 2013.

15. It is further prayed by the Official Liquidator in its report to direct the Demerged Company to ensure Statutory compliance of all applicable laws and also on sanctioning of the present Scheme, the Demerged Company shall not be absolved from any of its Statutory liabilities, in any manner.

16. During the course of the hearing the concerned officers and/ or counsels for the office of Regional Director, Official Liquidator and Income Tax Department stated that respective Departments have no objection if the said scheme is sanctioned by this Tribunal and all their observations stand satisfied.

17. The Petitioner Companies have placed on record the valuation reports/ valuer's opinion whichever is relevant obtained from independent professionals.

18. The Petitioner companies have also filed their audited financial statements as on 31st March 2020 and 31st March 2021.

19. The certified copies of Board Resolution of the Petitioner Companies approving the Scheme of Arrangement is annexed to the petition. An affidavit is filed by Geetanjali S. Vaidya, being authorized representative of the Petitioner Companies stating that no investigation proceedings are pending against the petitioner companies under Sections 235-251 of the Companies Act,1956 or Sections 210-226 of the Companies Act, 2013. Also, no winding-up proceedings are pending against the Petitioner Companies.

20. In compliance with the proviso to sub-section (7) of Section 230 of the Companies Act, 2013, both the Petitioner Companies have placed on record the Certificates of respective statutory auditors confirming that the accounting treatment envisaged under the Scheme of Arrangement in compliance with the applicable

accounting standards notified by the Central Government in Section 133 of the Companies Act, 2013.

21. The Demerged Company is wholly owned subsidiary of Suzlon Power Infrastructure Limited (SPIL), which in turn is wholly owned subsidiary of Suzlon Energy Limited. The amalgamation or merger of SPIL with Resulting Company is underway with the proposed appointed date being prior to the appointed date proposed for this Scheme of Arrangement, and once that is approved, the Demerged Company will become the wholly-owned subsidiary of the Resulting Company, as on the appointed date of this Scheme.

    Therefore, by operation of law and upon demerger of the Business Undertaking I & Business Undertaking II into Resulting Company, the Resulting Company will not be legally permitted to issue shares to itself. This Scheme does not, envisage, any consideration being payable, either in form of shares or any other form.

22. Heard learned counsel Ms. Dharmishta Raval for the Petitioner and gone through the records. Considering the entire facts and circumstances of the case, it appears that the requirements of the provisions of Sections 230 and 232 of the Companies Act, 2013 are satisfied. We are of the considered view that the proposed Scheme of Arrangement is bona fide and in the interest of the shareholders and creditors. In the result, Company Petition No. CP (CAA) No. 17 of 2022 is allowed subject to the approval of another Scheme of Amalgamation of SPIL into the Resulting Company. The Scheme envisages arrangement of Suzlon Gujarat Wind Park Pvt. Ltd. with

Suzlon Global Services Ltd. It is declared that the said sanctioned scheme shall be binding on the petitioner companies and their shareholders, creditors and all concerned under the scheme.

23. Notwithstanding the above, if there is any deficiency found or, violation committed qua any enactment, statutory rule or regulation, the sanction granted by this Tribunal to the scheme will not come in the way of action being taken, albeit, in accordance with the law, against the concerned persons, directors and officials of the Petitioners.

24. While approving the Scheme as above, we further clarify that this order should not be construed as an order in any manner granting exemption from payment of stamp duty, or taxes including income tax, GST etc., or any other charges or payment in accordance with the law, or any kind of waiver in respect of any permission/compliance with any other requirement which may be specifically required under any law.

25. The scheme is allowed with the following directions:

ORDER

i. The Scheme of Arrangement as annexed herewith as **"Annexure A"** is hereby sanctioned and it is declared that the same shall be binding on the Demerged Company, Resulting Company, and their Shareholders and Creditors and all concerned under the Scheme.

ii. All the property annexed herewith as **"Annexure B"**, right and powers of the Demerged Company specified in the schedule hereto and all the other property, rights and powers of the Demerged Company be transferred without further act or deed to the Resulting Company and accordingly the same shall pursuant to Section 232 of the Act, be transferred to and vested in the Resulting Company for all the estates and interest of the Demerged Company therein.

iii. The Business Undertaking I and Business Undertaking II shall, together with all its property, rights and powers be transferred without further act or deed to the Resulting Company and accordingly the same shall pursuant to Section 232 of the Act, stand transferred to and vest in the Resulting Company for all the estate and interest of the Business Undertaking I and Business Undertaking II.

iv. All licenses, permissions, permits, approvals, certificates, clearances, authorities, leases, tenancy, assignments, rights, claims, liberties, special status, other benefits or privileges and any power of attorney relating to the Business Undertaking I and Business Undertaking II shall stand transferred to and vest in the Resulting Company, without any further act or deed. The Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company.

v. All the liabilities and duties of the Business Undertaking I and Business Undertaking II of the Demerged Company be transferred, without further act or deed, to the Resulting Company and accordingly the same shall pursuant to Sections 230 & 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the Resulting Company.

vi. All contracts, agreements, insurance policies, bonds and all other instruments of whatsoever nature or description, of the Business Undertaking I and Business Undertaking II of the Demerged Company, shall stand transferred to and vested in the Resulting Company and be in full force and effect in favour of the Resulting Company and may be enforced by or against it as fully and effectually against the Resulting Company.

vii. All taxes paid or payable by the Business Undertaking I and Business Undertaking II of the Demerged Company including existing and future incentives, un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, to which shall be available to and vest in the Resulting Company.

viii. All proceedings now pending by or against the Business Undertaking I and Business Undertaking II of the Demerged Company shall be continued by or against the Resulting Company.

ix. All employees in the service of the Business Undertaking I and Business Undertaking II of the Demerged Company shall be deemed to have become the employees and the staff of the Resulting Company on date on which the scheme finally takes effect on the basis that their services shall be deemed to have been continuous and not have been interrupted by reasons of the said transfer and on term and conditions no less favourable than those on which they were / are engaged, as on the Effective Date.

x. The Petitioner Companies are directed to lodge a copy of this Order, the approved Scheme and the Schedule of Assets of the Demerged Company duly authenticated by the Registrar of this Tribunal, with the concerned Superintendent of Stamps, for adjudication of stamp duty, and pay requisite stamp duty payable, if any, within 60 days from the date of this Order.

xi. The Petitioner Companies are directed to file a copy of this order alongwith a copy of the scheme with the concerned Registrar of Companies, electronically, along with INC-28 in addition to physical copy as per relevant provisions of the Act.

xii. The legal and expenditure fees for the office of the Regional Director are quantified at Rs. 15,000/-. The fees to the Regional Director shall be paid by the Demerged Company.

xiii. The legal fees and expenses of the office of the Official Liquidator are quantified at Rs.10,000/-.

The said fees of the Official Liquidator shall be paid by the Demerged Company.

xiv. Any person aggrieved by this order shall be at liberty to apply to this Tribunal for any directions that may be necessary.

26. The Company Petition CP (CAA) No. 17 of 2022 connected with CA (CAA) No. 17 of 2021 is allowed and disposed of subject to the approval of another Scheme of Amalgamation of Suzlon Power Infrastructure Ltd.(SPIL) with the Resulting Company Suzlon Global Services Ltd. with the appointed date which will be prior to the appointed date of the present Scheme being approved vide this order.

-SD-

KAUSHALENDRA KUMAR SINGH
MEMBER (TECHNICAL)

-SD-

DR. MADAN B GOSAVI
MEMBER (JUDICIAL)

sapna

Annexure- "A" 455

Annexure - F

SCHEME OF ARRANGEMENT

BETWEEN

SUZLON GUJARAT WIND PARK LIMITED
('SGWPL' / 'DEMERGED COMPANY')

AND

SUZLON GLOBAL SERVICES LIMITED
('SGSL' / 'RESULTING COMPANY')

AND

THEIR RESPECTIVE SHAREHOLDERS

Under Sections 230 to 232 of the Act and other applicable provisions of the Companies Act, 2013 and rules framed thereunder

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

G.S.V

PRELIMINARY

1. PREMABLE

This Scheme (as defined hereinafter) is presented under Sections 230 to 232 read with Sections 13, 52, 61, 66 and 71 of the Act (as defined hereinafter) and other relevant provisions of the Act for demerger of the Business Undertaking I and Business Undertaking II (as defined hereinafter) of the Demerged Company (as defined hereinafter) and transfer and vesting of the same in the Resulting Company; on a going concern (as defined hereinafter) basis; and for matters consequential, incidental, supplemental and/or otherwise integrally connected therewith.

2. INTRODUCTION

2.1 Suzlon Gujarat Wind Park Limited ("SGWPL" or the "Demerged Company") was incorporated as a public limited company on 5th July 2004 under the Companies Act, 1956 and having CIN: U40108GJ2004PLC044409 and its Registered Office at "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009 in the State of Gujarat.

The main objects of SGWPL as set out in its Memorandum of Association are as under:

(1) *To organise, undertake, layout, develop, construct, build, erect, demolish, re-erect, alter, repair, re-model on behalf of clients as well as on its own in connection with any infrastructure development like civil construction, electrical, laying of evacuation and transmission facility, erection, installation & commissioning of windmills, building or building scheme, roads, highways, docks, ships, sewers, bridges, canals, wells, springs, series, dams, power plants, wind power projects, solar power projects, renewable and green energy projects, boars, wharves, ports, reservoirs, embankments, tramway, railways, irrigations, reclamations, improvements, sanitary, water, gas, electric light, telephonic, telegraphic and power supply works or any other structural or architectural work of any kind whatsoever and for such purpose to prepare reports, estimates, designs, plants, specification or models as may be requisite thereof and for the purpose or otherwise carry on the business as and of contractors and engineers and consultants in all its branches.*

(2) *To purchase / sale, hold, take on lease or exchange, take on mortgage and give on mortgage, lease, hire or otherwise acquire and hold or deal in any movable or immovable property including lands, buildings, licences, and any rights, interests and privileges - particularly for the purpose of setting up of conventional and non-conventional power projects, and matters incidental and ancillary thereto.*

(3) *To carry on in India and anywhere else in the World the business of and as an independent power project company and for the purpose to establish, develop, install, commission, acquire, operate and maintain, either independently and / or in association with and / or through one or more subsidiary / joint venture / associate / such person or persons, non-conventional and renewable power projects including wind, solar, hydro, biomass, geothermal, tidal, wave energy and for the purpose do all such acts and deeds including installation, erection, commissioning of independent power projects, marketing, buying, selling and / or dealing in power.*

2.2 Suzlon Global Services Limited ("SGSL" or the "Resulting Company") is a public limited company having CIN: U27109GJ2004PLC044170 and having its Registered Office at "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009 in the State of Gujarat, India.

G.S.V

SGSL was originally incorporated as a private limited company on 25th May 2004 in the name and style as 'Suzlon Structures Private Limited' under the provisions of the Companies Act, 1956.

The name of the Resulting Company was changed from Suzlon Structures Private Limited to Suzlon Structures Limited on the Company getting converted into a public limited company in terms of the special resolution passed by the shareholders at the Fourth Annual General Meeting held on 30th July 2008 and a fresh certificate of incorporation consequent upon change of name on conversion to a public limited company issued by the Registrar of Companies, Gujarat on 4th September 2008.

The name of the Resulting Company was further changed from Suzlon Structures Limited to Suzlon Global Services Limited in terms of the Scheme of Amalgamation as approved by the Honourable High Court of Gujarat at Ahmedabad on 14th October 2016 and a fresh certificate of incorporation pursuant to change of name issued by the Registrar of Companies, Gujarat on 23rd January 2017.

The main objects of the Resulting Company as set out in its Memorandum of Association are under –

(1) *To carry on, in India and abroad, the business as manufacturer, assembler, repairer, fabricator, processor, producer, buyer, seller, dealer, wholesaler, retailer, consignor, consignee, agent, importer, exporter, consultants of and in engineering and non-engineering products of metallic or non-metallic materials of mechanical, electrical, electronic, instrumentation, hydraulic, plastic or any other nature or combination thereof, including engineering products and components like steel structures, towers of any kind and nature, transformers, generators, control panels, pitch panels, power panels, solar panels, batteries, nacelle cover, gear and gear box, compressor, rotor blades, reinforced fibre glass products, used for renewable and green energy sector or otherwise and general engineering products.*

(2) *To engage in operation and maintenance of conventional and non-conventional power projects including distributing, transferring, preserving, mixing, supplying, contracting, consulting, importing, exporting, buying, selling, assembling, hiring, repairing, dealing, distributing, stocking, trading, broking, representing, collaborating, managing, maintaining, leasing, renting, servicing, dealing in all kind and type, nature and description of power projects, power sources, equipments and infrastructure.*

(3) *To carry on in India and anywhere else in the World the business of and as an independent power project company and for the purpose to establish, develop, install, commission, acquire, operate and maintain, either independently and / or in association with and / or through one or more subsidiary / joint venture / associate / such person or persons, non-conventional, renewable and green power projects including solar, wind, hydro, biomass, geothermal, tidal, wave energy and for the purpose do all such acts and deeds including acquiring and developing land, organising, undertaking, laying out, developing, re-erecting, altering, repairing, re-modelling, setting-up and / or arranging, on behalf of clients as well as for its own, in connection with any infrastructure development including civil construction, electrical, laying of evacuation and transmission facility, setting-up of sub-stations, erection, installation & commissioning of solar power projects, wind power projects, windmills, power plants, renewable and green energy projects, power supply works or any other structural or architectural work of any kind whatsoever, and marketing, buying, selling and / or dealing in power.*

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

G.S.V

(4) *To engage in the business of evacuation, transmission, distribution of power generated from any conventional or non-conventional energy sources including but not limiting to wind energy, thermal, solar, hydro, tidal, wave, steam, biomass, geothermal, atomic, waste energy sources and for the purpose to organise, undertake, layout, develop, construct, build, erect, demolish, re-erect, alter, repair, re-model, modify, augment for and on its own behalf or for and on behalf of other person or persons including but not limiting to individuals, organisations, bodies corporate, associations, unincorporated bodies, State Electricity Boards, State Nodal Agencies, private / semi-government / government companies – power generation, power transmission, power distribution, power trading companies or otherwise, all infrastructure development activities including transmission lines, sub-stations, power houses, power stations, etc.*

(5) *To organise, undertake, layout, develop, construct, build, erect, demolish, re-erect, alter, repair, re-model on behalf of clients as well as on its own in connection with any infrastructure development like civil construction, electrical, laying of evacuation and transmission facility, erection, installation & commissioning of windmills, building or building scheme, roads, highways, docks, ships, sewers, bridges, canals, wells, springs, series, dams, power plants, wind power projects, solar power projects, renewable and green energy projects, boars, wharves, ports, reservoirs, embankments, tramway, railways, irrigations, reclamations, improvements, sanitary, water, gas, electric light, telephonic, telegraphic and power supply works or any other structural or architectural work of any kind whatsoever and for such purpose to prepare reports, estimates, designs, plants, specification or models as may be requisite thereof and for the purpose or otherwise carry on the business as and of contractors and engineers and consultants in all its branches.*

3. BACKGROUND

SGSL is a wholly owned subsidiary of Suzlon Energy Limited (SEL) and SGWPL is a wholly owned step-down subsidiary of SEL. Therefore, SGSL and SGWPL, both have common beneficial owner, being SEL.

SGWPL is currently engaged in following businesses:

a) **Land Development:** Procurement of land for development and/or lease for wind-power projects.
b) **Project Execution**: Project Execution of Wind-power projects/ renewable energy projects including civil foundation and other work, Electrical work and Erection & installation of WTGs.
c) **Power Evacuation:** Establishing a power evacuation facility; and
d) **Power generation:** Generation and sale of electricity.

SGWPL commenced its business operations in FY 2004-05 by acquiring certain power evacuation facilities. In FY 2006-07, SGWPL started the activity of procurement of land for development and/or lease for wind-power projects. The business of project execution of wind-power plants was initiated from FY 2011-12. SGWPL further added power generation business in FY 2017-18.

Each of the above verticals form a separate business activity which has its distinct and identifiable assets and liabilities, revenue streams, expenses, budgets, teams and organization structure. Books of accounts for each of the above verticals are maintained separately in the accounting system.

This Scheme envisages a demerger of Project Execution and Power Evacuation undertaking/ division of SGWPL into SGSL, as this is expected to improve operational,

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

commercial and financial synergies as explained in the rationale below. Project Execution and Power Evacuation, both are distinct and separate undertakings/ divisions, capable of functioning on their own as distinct and separate businesses and have separate risks and rewards.

4. RATIONALE

The Resulting Company is engaged in the business of Operations & Maintenance (O&M business) of wind turbine generators ("WTGs") and has large capacity of wind-turbine assets under its management. Such O&M business is a value-added service offered through its Wholly-owned subsidiary (WoS), by Suzlon Energy Limited being a manufacturer of wind-turbine generators. On the other hand, the Project Execution and Power Evacuation business undertakings of the Demerged Company are also value-added services. Project Execution services are rendered at the time of setting up of wind-turbine power project and Power Evacuation facilities (Sub Station and Evacuation lines) are established prior to setting-up of wind-turbine power plant. Efficient and timely hand over of completed projects to O&M business ensures smooth transitioning of responsibilities from one stream to another. Power Evacuation facilities perform a very important role for customers in enabling transmission of power and its proper functioning is quite important so as to keep business risk and liabilities of O&M business under check. The management of both the companies believe that, consolidation of all the value-added services under one entity will align priorities right and will bring consolidation in enterprise value along with operational, administrative and financial synergies.

In addition to the above, following additional benefits are expected from this proposed Scheme:

(a) The Demerged Company has financial liabilities and does not have sufficient resources to fund the said liabilities. The Resulting Company will have much better ability to help serve lenders on timely basis and in a compliant manner; hence, the demerger is in the best interest of both the companies as well as the lenders.

(b) The Demerged Company is also engaged in land acquisition, development and leasing business for the usage by wind-power plants. This risk profile of the land division is different than other mainstream businesses. The subject Demerger will harmonize the risk profiles of the other divisions of the Demerged Company (being Project Execution and Power Evacuation) as they are getting transferred/ vested in the Resulting Company.

(c) The Power Evacuation facilities getting transferred to the Resulting Company have strategic importance to the Resulting Company. For a sizeable fleet being currently serviced by the Resulting Company as a part of its O&M business, the power evacuation facilities are common and owned by the Demerged Company. Therefore, any risk to the Demerged Company on account of the land division can have adverse impact on the fleet serviced by the Resulting Company and consequently on the revenues of the Resulting Company. Accordingly, the consolidation of the power evacuation facilities with the O&M business would assume paramount commercial importance, especially from the perspective of any potential investor of the Resulting Company.

5. PARTS OF THE SCHEME

The Scheme is divided into the following parts:

Part I (Clauses 6 to 8 of the Scheme) deals with definitions, share capital and operationalization of the Scheme;

G.S.V

Part II (Clauses 9 to 18 of the Scheme) deals with demerger of **Business Undertaking I/ Project Execution Business** from the Demerged Company to the Resulting Company and its transfer and vesting in the Resulting Company and matters consequential and incidental thereto;

Part III (Clauses 19 to 28 of the Scheme) deals with demerger of **Business Undertaking II/ Power Evacuation Business** from the Demerged Company to the Resulting Company and its transfer and vesting in the Resulting Company and matters consequential and incidental thereto;

Part IV (Clause 29 of the Scheme) deals with remaining business of the Demerged Company; and

Part V (Clauses 30 to 39 of the Scheme) deals with General Terms and Conditions that would be applicable to the Scheme.

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

NOTARY GOVERNMENT OF INDIA

G.S.V

PART I
DEFINITIONS, SHARE CAPITAL AND OPERATIONALIZATION OF THE SCHEME

6. DEFINITION

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

GENERAL

6.1 **"Act"** means the Companies Act, 2013 to the extent its provisions relevant for this Scheme are notified and ordinances, rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force.

6.2 **"Board of Directors" or "Board"** means the Board of Directors of the respective companies, as on such date, and shall include a duly constituted committee / director / authorized person thereof specifically given power by the respective Board of Directors to undertake all actions, as may be required, in connection with this Scheme.

6.3 **"Companies"** the term collectively refers to the Demerged Company and the Resulting Company, as the case may be.

6.4 **"Effective Date"** means the dates on which the Order of the Hon'ble NCLT, Ahmedabad Bench sanctioning the Scheme of Arrangement is filed with the Registrar of Companies, Gujarat by the respective Companies. 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.

6.5 **"Encumbrance" or "Encumber"** shall mean any: (i) encumbrance including without limitation any security interest, claim, mortgage, pledge, charge, hypothecation, lien, lease, assignment, deed of trust, title retention, deposit by way of security, beneficial ownership (including usufruct and similar entitlements), or any other similar interest held by the third person; (ii) security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable Law; (iii) right of pre-emption, right of first offer, or refusal or transfer restriction in favour of any person; and/or (iv) any adverse claim as to title, possession or use;

6.6 **"NCLT"** or **"Tribunal"** means Hon'ble National Company Law Tribunal, Ahmedabad Bench having jurisdiction in relation to the Demerged Company and the Resulting Company.

6.7 **"Governmental Authority"** shall mean any national, state, provincial, local or similar government, governmental, statutory, regulatory or administrative authority, government department, agency, commission, board, branch, tribunal or court or other entity authorized to make Laws, rules, regulations, standards, requirements, procedures or to pass directions or orders having the force of Law, or any nongovernmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of Law, or any stock exchange of India or any other country;

6.8 **"IT Act"** means the Income Tax Act, 1961 and ordinances, rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force.

G.S.V

6.9 **"Law"** shall mean any statute, law, regulation, ordinance, rule, judgment, notification, rule of common law, order, decree, bye-law, approval, directive, guideline, requirement or other governmental restriction, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing, by any Governmental Authority having jurisdiction over the matter in question;

6.10 **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Arrangement including Schedules and Parts in its present form submitted or as amended or modified by an agreement between the Parties, submitted to the Hon'ble NCLT for approval, with any modifications, thereof as may be approved or imposed or directed by the Hon'ble NCLT or any other appropriate authority.

6.11 **"Transition period"** means period starting from the date immediately after the Appointed Date as applicable to the relevant part of the Scheme till the last of the date on which all the conditions stipulated in this Scheme are fulfilled.

6.12 **"Appointed Date"** for the transfer and vesting through demerger of **Business Undertaking I** as well as **Business Undertaking II** means **2nd April 2020** or such other date(s) as the board of directors of the Demerged Company and the Resulting Company may fix or such other date(s) as the Hon'ble NCLT or such other competent authority may approve / fix.

6.13 **"Business Undertaking I / Project Execution Business"** shall mean the entire Undertaking on a going-concern basis, representing the business of **Project Execution.** The project execution business involves execution of Wind Power Projects such as laying the civil foundation and other ancillary work, electrical work and erection of installation of Wind Turbine Generators (WTGs). The entire undertaking includes all directly related assets and liabilities, as on the Appointed Date of the respective parts including, but not limited to, the following:

a) **Contracts and other similar rights** all agreements, MOUs, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Demerged Company's business activities and operations in relation to the assets and rights (whether tangible / intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) which are used and / or proposed to be used for Project Execution Business;

b) **Employees:** all the employees of the Demerged Company employed in and/ or all other persons that have been engaged for the purpose of carrying out the activities in relation to Project Execution Business of the Demerged Company;

c) **Movable Assets:** All the movable assets and properties (whether tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Demerged Company in relation to Project Execution Business, whether situated in India or abroad, including, but not limited to computers, equipment, diesel generator sets, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories, power lines, deposits, all stocks of material, investments of all kinds (including shares, scripts, subsidiaries, stocks, bonds, debenture stocks, units or pass through certificates), cash balances or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

by the Demerged Company, financial assets, leases (including but not limited to lease rights of the Demerged Company), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, tenancies or license in relation to the office and /or residential properties (including for the employees or other persons), intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, rights to use and available of telephones, telexes, facsimile, e-mail Company, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), assets held by or relating to the Demerged Company, employee benefit plan, export incentives accrued, derivative instruments, forward contracts, insurance claims receivable, tax holiday benefits including under Section 80IAB of the Income-tax Act, 1961, incentives, CENVAT balance, value added/ sales tax/ entry tax, GST credits or set-offs and tax refunds, minimum alternative tax credit entitlement, brought forward tax losses, unabsorbed depreciation, rights, easements, privileges, liberties and advantages of whatsoever nature and where so ever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Demerged Company or in connection with or relating to the Demerged Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company, in each case, whether in India or abroad.

d) all the investments, being the investments in limited liability partnership or investments of any other nature, that pertains to the Project Execution Business.

e) All intellectual property rights, letter of approvals and, licenses, software licenses (whether proprietary or otherwise), drawings, records, files, books, papers, computer programmes, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Demerged Company in relation to the Project Execution Business;

f) **Immovable Assets:** All the immovable assets and properties (whether tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Demerged Company, as on the Appointed Date, in relation to the Project Execution Business, whether situated in India or abroad, including but not limited to land together with the buildings and structures standing thereon, leasehold right, licensed property, accretions and appurtenances, development right, FSI, offices and other premises, stock-in-trade, guest houses, godowns, warehouses, other fixed assets held by or relating to the Demerged Company for the purpose of Part II the Scheme;

g) All right, title, interest, share, claim, privilege, benefit, entitlement, liability, duty, obligation of any nature whatsoever in relation to or arising out of and entitlements by whatever name called at present or in the future, in relation to the Project Execution Business or its individual assets;

h) **Liabilities:** All liabilities and all debts, guarantees assurances, commitments, obligations loans, and undertakings of any kind, nature and description whatsoever

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

G.S.V

and howsoever arising, present or future and including, without limitation, borrowings, working capital facilities, advances from customers, unearned revenues, bills payable, interest, whether, fixed, contingent, or absolute, secured or unsecured asserted or un-asserted, matured or not liquidated or unliquidated, accrued or not accrued known or un-known, due or to become due whenever or however arising including contingent liabilities, duties, taxes and obligations in relation to Project Execution Business of the Demerged Company or Transferor Company for the purpose of Part II the Scheme;

i) It is intended that the definition of Business Undertaking I under this sub-clause would enable the transfer of all property (including immovable property), assets, liabilities, rights, obligations, entitlements, know-how and benefits of the Business Undertaking I to the Resulting Company pursuant to this Scheme, without any further act or deed. Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Business Undertaking I or whether it arises out of the activities or operations of Business Undertaking I shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company for Part II of the Scheme;

6.14 **"Business Undertaking II / Power Evacuation Business"** shall mean the entire Undertaking on a going-concern basis, representing the business of **Power Evacuation**. The power evacuation business involves establishment and sale of power evacuation infrastructure facility for the Wind Projects. The entire undertaking includes all directly related assets and liabilities, as on the Appointed Date of the respective parts including, but not limited to, the following:

a) **Contracts and other similar rights** all agreements, MOUs, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Demerged Company's business activities and operations in relation to the assets and rights (whether tangible / intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) which are used and / or proposed to be used for Power Evacuation Business;

b) **Employees:** all the employees of the Demerged Company employed in and/ or all other persons that have been engaged for the purpose of carrying out the activities in relation to Power Evacuation Business of the Demerged Company;

c) **Movable Assets:** All the movable assets and properties (whether tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Demerged Company in relation to Power Evacuation Business, whether situated in India or abroad, including, but not limited to computers, equipment, diesel generator sets, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories, power lines, deposits, all stocks of material, investments of all kinds (including shares, scripts, subsidiaries, stocks, bonds, debenture stocks, units or pass through certificates), cash balances or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Demerged Company, financial assets, leases (including but not limited to lease rights of the Demerged Company), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, bids, tenders, letters of

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, tenancies or license in relation to the office and /or residential properties (including for the employees or other persons), intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, rights to use and available of telephones, telexes, facsimile, e-mail Company, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), assets held by or relating to the Demerged Company, employee benefit plan, export incentives accrued, derivative instruments, forward contracts, insurance claims receivable, tax holiday benefits including under Section 80IAB of the Income-tax Act, 1961, incentives, CENVAT balance, value added/ sales tax/ entry tax, GST credits or set-offs and tax refunds, minimum alternative tax credit entitlement, brought forward tax losses, unabsorbed depreciation, rights, easements, privileges, liberties and advantages of whatsoever nature and where so ever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Demerged Company or in connection with or relating to the Demerged Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company, in each case, whether in India or abroad.

d) all the investments, being the investments in limited liability partnership or investments of any other nature, that pertains to the Power Evacuation Business.

e) All intellectual property rights, letter of approvals and, licenses, software licenses (whether proprietary or otherwise), drawings, records, files, books, papers, computer programmes, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Demerged Company in relation to the Power Evacuation Business;

f) **Immovable Assets:** All the immovable assets and properties (whether tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Demerged Company, as on the Appointed Date, in relation to the Power Evacuation Business, whether situated in India, including but not limited to land together with the buildings and structures standing thereon, leasehold right, licensed property, accretions and appurtenances, development right, FSI, offices and other premises, stock-in-trade, guest houses, godowns, warehouses, other fixed assets held by or relating to the Demerged Company for the purpose of Part III the Scheme;

g) All right, title, interest, share, claim, privilege, benefit, entitlement, liability, duty, obligation of any nature whatsoever in relation to or arising out of and entitlements by whatever name called at present or in the future, in relation to the Power Evacuation Business or its individual assets;

h) **Liabilities:** All liabilities and all debts, guarantees assurances, commitments, obligations loans, and undertakings of any kind, nature and description whatsoever and howsoever arising, present or future and including, without limitation, borrowings, working capital facilities, advances from customers, unearned revenues, bills payable, interest, whether, fixed, contingent, or absolute, secured or unsecured asserted or un-asserted, matured or not liquidated or unliquidated, accrued or not

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

accrued known or un-known, due or to become due whenever or however arising including contingent liabilities, duties, taxes and obligations in relation to Power Evacuation Business of the Demerged Company for the purpose of Part III of the Scheme;

i) It is intended that the definition of Business Undertaking II under this sub-clause would enable the transfer of all property (including immovable property), assets, liabilities, rights, obligations, entitlements, know-how and benefits of the Business Undertaking II to the Resulting Company pursuant to this Scheme, without any further act or deed. Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Business Undertaking II or whether it arises out of the activities or operations of Business Undertaking II shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company for Part III of the Scheme;

6.15 **"Remaining Business" or "Remaining Undertaking"** means the business, assets and liabilities of the Demerged Company other than Business Undertaking I and Business Undertaking II, and includes Land Development Business along with Power Generation Business, all other business units, divisions and their respective assets and liabilities including portion of general or multipurpose borrowings, contracts and employees not related to Project Execution Business and Power Evacuation Business of the Demerged Company;

6.16 **"Demerged Company"** or **"SGWPL"** means Suzlon Gujarat Wind Park Limited, a company incorporated under the Companies Act, 1956 and having CIN: U40108GJ2004PLC044409 and its registered office at "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009, Gujarat;

6.17 **"Resulting Company"** or **"SGSL"** means Suzlon Global Services Limited, a company incorporated under the Companies Act, 1956 and having CIN U27109GJ2004PLC044170 and its registered office at "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009, Gujarat.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

7. SHARE CAPITAL

7.1 The present share capital structure of SGWPL is as under:

Particulars	Amount (INR)
Authorised Share Capital	
125,00,00,000 Equity shares of Rs.10/- each	1250,00,00,000
2,00,00,000 Preference Shares of Rs.100/- each	200,00,00,000
Total	**1450,00,00,000**
Issued, subscribed and paid-up Share Capital	
124,59,15,359 Equity shares of Rs.10 /- each fully paid up	1245,91,53,590
Total	**1245,91,53,590**

As on the date of approval of the Scheme by the Board of Directors of SGWPL, there is no change in the authorised, issued, subscribed and paid-up share capital of SGWPL.

7.2 The present share capital structure of the SGSL is as under:

Particulars	Amount (INR)
Authorised Share Capital	
514,60,00,000 Equity shares of Rs.10/- each	5146,00,00,000
2,10,00,000 Preference Shares of Rs.100/- each	210,00,00,000
4,50,000 Preference Shares of Rs.1,00,000/- each	4500,00,00,000
Total	**9856,00,00,000**
Issued, subscribed and paid-up Share Capital	
2,93,66,800 Equity shares of Rs.10/- each fully paid up	29,36,68,000
10,00,000 8% Redeemable Cumulative Preference Shares of Rs.100/- each	10,00,00,000
4,45,301 0.0001% Compulsorily Convertible Preference Shares of Rs.1,00,000/- each	4453,01,00,000
Total	**4492,37,68,000**

The equity shares of SGSL are not currently listed on any stock exchange. Subsequent to above, there has been no change in the capital structure of SGSL.

As on the date of approval of the Scheme by the Board of Directors of SGSL, there is no change in the authorised, issued, subscribed and paid-up share capital of SGSL.

8. OPERATIONALIZATION OF THE SCHEME

This Scheme shall become effective (irrespective of when any of the individual action under Clause 33 have been completed), with effect from the Appointed Date.

G.S.V

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

NOTARY GOVERNMENT OF INDIA

PART II
DEMERGER OF BUSINESS UNDERTAKING I/ PROJECT EXECUTION BUSINESS FROM THE DEMERGED COMPANY TO THE RESULTING COMPANY AND ITS TRANSFER AND VESTING IN THE RESULTING COMPANY AND MATTERS CONSEQUENTIAL AND INCIDENTAL THERETO

9. VESTING OF BUSINESS

Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Business Undertaking I (including all the estate, immovable property, movable property, assets, rights, claims, title, interest and authorities including accretions and appurtenances and liabilities of the Business Undertaking I) shall, subject to the provisions of this Clause 9 in relation to the mode of transfer and vesting and pursuant to Section 230 to Section 232 of the Act along with Section 2(19AA) of the IT Act and without any further act or deed, be demerged from the Demerged Company and stand absolute, unconditionally and irrevocably be transferred to and vested in the Resulting Company or be deemed to have been demerged from the Demerged Company and absolutely, unconditionally and irrevocably be transferred to and vested in the Resulting Company as a going concern, so as to become as and from the Appointed Date, the estate, immovable property, moveable property, assets, rights, claims, title, interest and authorities and liability of the Resulting Company, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.

Upon the Scheme coming into effect, the Resulting Company may, if so required under any Applicable Law or otherwise, at any time after the Scheme becoming effective, in accordance with the provisions hereof, execute or enter into any arrangements, conveyance, confirmations, deeds, documents, letters or any other instruments relating to the Business Undertaking with any party to any contract or agreements to which the Demerged Company is a party. For such purposes, if so requested by the Resulting Company, the Demerged Company shall provide all the necessary assistance, sign the necessary documents, appear before the Relevant Authorities including for registration of the documents, etc., without incurring any monetary obligation for such actions.

9.1 ASSETS

Without prejudice to the generality of Clause above, the assets of the Business Undertaking I shall stand transferred to and vested in the Resulting Company in the following manner:

9.1.1 Such of the assets of the Business Undertaking I as are movable in nature, and/or otherwise capable of transfer by manual or constructive delivery and/or endorsement and delivery, the same may, upon coming into effect of this Scheme, be so transferred to the Resulting Company, and shall become the assets of the Resulting Company and title to the assets will be deemed to have been vested accordingly without requiring any deed or instrument of conveyance pursuant to the provisions of Sections 230 to 232 of the Act and shall upon such transfer and vesting become the property and an integral part of the Resulting Company.

All immovable properties (including land together with the buildings and structures standing thereon, leasehold right, licensed property, accretions and appurtenances, development right and FSI) of the Business Undertaking I, whether freehold or leasehold and all documents of title, rights and easements in relation thereto, will stand transferred to and be vested in the Resulting Company, without any further act, instrument or deed and pursuant to the provisions of Sections 230 to 232 of the Act. For the purpose of giving effect to the vesting order passed under Section 232 of the Act

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

G.S.V

in respect of the Scheme, the Resulting Company shall be entitled to exercise all the rights and privileges and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all such immovable properties, including mutation and/or substitution of the title to, or interest in the immovable properties which shall be made and duly recorded by the appropriate authority(ies) in favour of the Resulting Company pursuant to the sanction of the Scheme by the NCLT and upon the effectiveness of this Scheme in accordance with the terms hereof without any further act or deed to be done or executed by the Demerged Company and/or the Resulting Company. It is clarified that the Resulting Company shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/or substitution. Notwithstanding any provision to the contrary, from the Effective Date and until the owned properties, leasehold properties and related rights thereto, license/right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, effected and/or perfected, in the record of the appropriate authority, in favour of the Resulting Company, the Resulting Company is deemed to be authorised to carry on the business in the name and style of the Demerged Company under the relevant agreement, deed, lease and/or license, as the case may be, and the Resulting Company shall keep a record and/or account of such transactions.

9.1.2 In respect of assets of the Business Undertaking I other than those dealt with in Clause 9.1.1 above, including but not limited to receivables, bills, credits, loans, advances and deposits if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc. the same shall stand transferred to and vested in the Resulting Company without any notice or other intimation to any person in pursuance of the provisions of Sections 230 to 232 read with other relevant provisions of the Act to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company. The Resulting Company may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said receivables, bill, credit, loan, advance or deposit stands transferred and vested in the Resulting Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.

9.1.3 For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of bank accounts of the Demerged Company, in relation to or in connection with the Business Undertaking I, has been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank account of the Demerged Company, in relation to or in connection with the Business Undertaking I, in the name of the Demerged Company in so far as may be necessary.

9.1.4 In so far as the assets of the Business Undertaking I are concerned, any Encumbrance over them, to the extent that such Encumbrance relates to any liabilities (other than the Transferred Liabilities) of the Demerged Company shall without any further act, instrument or deed be released and such assets shall be free from such Encumbrance and shall no longer be available as a security for any liabilities of the Business Undertaking of the Demerged Company. The absence of any formal amendment which may be required by a lender or a third party to effect such release shall not affect the operation of the foregoing sentence.

9.1.5 In so far as the assets of the Remaining Business are concerned, any Encumbrance over them, to the extent they relate to the Business Undertaking I transferred liabilities, without any further act, instrument or deed be realised and discharge from such security. The absence of any formal amendment which may be required by a lender or a third party to effect such release shall not affect the operation of the foregoing sentence.

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

G.S.V

9.1.6 Without prejudice to what is stated in Clauses 9.1.1 to 9.1.5 above, the Demerged Company and the Resulting Company shall execute such documents/instruments or do all such acts and deeds including filing of necessary particulars and/or modification of charge with the concerned Registrar of Companies to give formal effect to the above Clauses, if required.

9.1.7 In so far as various incentives, subsidies, exemptions, Rehabilitation schemes, special status, service tax benefits, income tax holiday/benefit/losses and other benefits or exemptions or privileges enjoyed, granted by any Government body, regulatory authority, local authority or by any other person, or availed of by the Demerged Company with respect to the Business Undertaking I are concerned, the same shall, without any further act or deed, in so far as they relate to Business Undertaking I, vest with and be available to the Resulting Company on the same terms and conditions as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company.

9.1.8 Any determination of the value of an asset or liability of the Business Undertaking I for the sole purpose of payment of stamp duty, registration fees or other similar taxes, if any, shall not be regarded as assignment of values to individual asset or liability.

9.2 **TRANSFER OF CONTRACT, DEEDS, ETC.**

9.2.1 Upon coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, undertakings including bond cum legal undertaking, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Business Undertaking I, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which is subsisting or have effect immediately before the Effective Date, shall continue in full force and effect against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or oblige thereto.

9.2.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Business Undertaking I occurs by virtue of this Scheme itself, the Resulting 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 Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Resulting Company shall be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.

9.2.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all approvals, consents, benefits, registrations, entitlements, credits, permissions, licenses, certificates, no objection certificates, exemptions, concessions, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Business Undertaking I shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company. The Resulting Company shall make applications to any Governmental Authority as may be necessary in this behalf.

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

G.S.V

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

9.3 **LIABILITIES**

Without prejudice to the generality of Clause above, the liabilities of the Business Undertaking I shall stand transferred to and vested in the Resulting Company in the following manner:

9.3.1 Upon the Scheme becoming effective, loans, borrowings, debts, liabilities, credit facilities, overdraft facilities, duties and obligations, of the Demerged Company forming part of the Business Undertaking I which may accrue or arise or relate to the period on or before the Effective Date shall, to the extent they are outstanding on the Effective Date, without any further act or deed become the loans, borrowings, debts, liabilities, credit facilities, overdraft facilities, duties and obligations of the Resulting Company and all rights, powers, duties and obligations in relation thereto shall stand transferred to, vested in, and shall be exercised by or against the Resulting Company, as if it has entered into such loans, credit facilities, overdraft facilities or incurred such borrowing, debts, liabilities, duties and obligations. The Resulting Company shall undertake to meet, discharge and satisfy the same to the exclusion of the Demerged Company.

9.3.2 Upon the Scheme becoming effective, loans, borrowings, debts, liabilities, credit facilities, overdraft facilities, duties and obligations of the Demerged Company forming part of the Remaining Business, whether provided for or not in the books of account of the Demerged Company, shall continue to remain as the loans, borrowings, debts, liabilities, duties and obligations of the Demerged Company. The Demerged Company shall undertake to meet, discharge and satisfy the same to the exclusion of the Resulting Company.

9.3.3 Without any prejudice to the provisions of the foregoing Clauses and with effect from the Effective Date, the Demerged Company and the Resulting Company shall enter into and execute such other deeds, instruments, documents and/or writings and/or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the concerned Registrar of Companies to give formal effect to the provisions of this Clause, if required.

9.3.4 With effect from the Effective Date, the Resulting Company alone shall be liable to perform all obligations in respect of the Business Undertaking I transferred liabilities and the Demerged Company shall not have any obligations in respect of liabilities of the Business Undertaking I transferred.

9.3.5 With effect from the Effective Date, the Demerged Company alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to the Remaining Business and the Resulting Company shall not have any obligations in respect of Remaining Business.

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

NOTARY GOVERNMENT OF INDIA

G.S.V

9.3.6 It is expressly provided that, save as mentioned in this Scheme, no other terms or conditions of liabilities of the Business Undertaking I transferred is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

9.3.7 Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

9.4 For the removal of doubts, it is provided that after the Effective Date the liabilities which arise out of the activities or operations or actions of the Business Undertaking I shall be borne by the Resulting Company only.

10. LEGAL, TAX AND OTHER PROCEEDINGS

10.1 Upon the coming into effect of this Scheme, all legal, tax or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company, under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the Business Undertaking I and shall be continued and enforced by or against the Resulting Company after the Effective Date. In the event that the legal proceedings referred to herein require the Demerged Company and the Resulting Company to be jointly treated as parties thereto, the Resulting Company shall be added as a party to such proceedings and shall prosecute and defend such proceedings in co-operation with the Demerged Company. In the event of any difference or difficulty in determining as to whether any specific legal or other proceedings relate to the Business Undertaking I or not, a decision jointly taken by the Board of Directors of the Demerged Company and the Resulting Company in this regard, shall be conclusive evidence of the matter.

10.2 The Resulting Company shall have all legal or other proceedings initiated by or against the Demerged Company with respect to the Business Undertaking I, transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company.

11. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets, contracts and deeds, etc., liabilities obligations of the Business Undertaking I under Clause 9 and the continuance of the proceedings by or against the Demerged Company under Clause 0 hereof shall not affect any transactions or proceedings already completed by the Demerged Company on or after the Appointed Date to the end and intent that, the Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company as acts, deeds and things made, done and executed by and on behalf of the Resulting Company.

12. EMPLOYEES

12.1 Upon the coming into effect of this Scheme, all the employees relating to the Business Undertaking I that were employed by the Demerged Company, immediately before the Effective Date, shall become employees of the Resulting Company without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the Business Undertaking I of the Demerged

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

G.S.V

Company immediately prior to the transfer and vesting of the Business Undertaking I.

12.2 The Resulting Company agrees that the service of all employees pertaining to the Business Undertaking I with the Demerged Company up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Resulting Company up to the Effective Date. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal or retirement benefits, such past service with the Demerged Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

12.3 Upon the coming into effect of this Scheme, the Resulting Company shall make all the necessary contributions for such transferred employees relating to the Business Undertaking I, and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. The Resulting Company will also file relevant intimations in respect of employees of the Business Undertaking I to the statutory authorities concerned who shall take the same on record and substitute the name of the Resulting Company for the Demerged Company.

12.4 In so far as the existing provident fund, gratuity fund and pension and /or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by the Demerged Company for employees of the Business Undertaking I are concerned, such proportion of the funds, contributions to the funds or the scheme or the investments made into the funds relatable to the employees pertaining to the Business Undertaking I as on the Effective Date, who are being transferred along with the Business Undertaking I in terms of the Scheme, upon the coming into effect of this Scheme, shall be transferred to the necessary funds, schemes or trusts of the Demerged Company and till the time such necessary funds, schemes or trusts are created by the Resulting Company, all contribution shall continue to be made to the existing funds, schemes or trusts of the Demerged Company.

13. BUSINESS AND PROPERTY IN TRUST AND CONDUCT OF THE BUSINESS UNDERTAKING FOR THE RESULTING COMPANY

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

13.1 The Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Business Undertaking I and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, approvals, contracts, investments and strategic decisions of the Business Undertaking I for and on account of, and in trust for, the Resulting Company;

13.2 all profits and income accruing or arising to the Demerged Company from the Business Undertaking I, and any cost, charges, losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Business Undertaking I shall, for all purposes, be treated as and be deemed to be the profits income, losses or expenditure, as the case may be, of the Resulting Company;

13.3 any of the rights, powers, authorities, privileges, attached, related or pertaining to the Business Undertaking I exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for and on behalf of, and in trust for and as

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

an agent of the Resulting Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Business Undertaking I that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Resulting Company.

13.4 The Demerged Company undertakes that it will preserve and carry on the business of the Business Undertaking I with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber the Business Undertaking I or any part thereof or recruit new employees or conclude settlements with union or employees without the concurrence of the Resulting Company or undertake substantial expansion or change the general character or nature of the business of the Business Undertaking I or any part thereof save and except in each case:

- if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the Hon'ble NCLT; or
- if the same is expressly permitted by this Scheme; or
- if the prior written consent of the Board of Directors of the Demerged Company has been obtained.

13.5 The Resulting Company and/or the Demerged Company shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government(s), regulatory/local/administrative bodies and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Demerged Company may require to carry on the business of the Business Undertaking I.

14. TAXES

14.1 The Resulting Company will be the successor of the Demerged Company vis-à-vis the Business Undertaking I. Hence, it will be deemed that the benefit of any tax credits whether central, state or local, availed vis-à-vis the Business Undertaking I and the obligations if any for payment of the tax on any assets or income of the Business Undertaking I or their erection and / or construction, etc. shall be deemed to have been availed by the Resulting Company or as the case may be deemed to be the obligations of the Resulting Company.

14.2 All tax holiday including but not limited to benefit under section 80-IAB of the IT Act including its continuing benefits, incentives, exemptions, concessions and other benefits or privileges enjoyed by Demerged Company in relation to Business Undertaking I, granted by any Government body, regulatory authority, local authority, by any other person or law or availed of by Demerged Company, are concerned, the same shall, without any further act or deed, in so far as they relate to Business Undertaking I vest with and be available to the Resulting Company on the same terms and conditions.

14.3 With effect from the Appointed Date and upon the Scheme being effective, all taxes, duties, cess receivable/ payable by Demerged Company relating to the Business Undertaking I including all or any refunds/ credit/ claims/ tax losses / unabsorbed depreciation relating thereto shall be treated as the asset/ liability or refunds/ credit/ claims/ tax losses / unabsorbed depreciation, as the case may be, of the Resulting Company.

14.4 The Demerged Company and the Resulting Company are expressly permitted to revise their tax returns including tax deducted at source (TDS) certificates/ returns and to claim refunds, advance tax credits, excise, service tax and GST credits, set off, etc., on

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

G.S.V

the basis of the accounts of the Business Undertaking I as vested with the Resulting Company upon the coming into effect of this Scheme.

15. CONSIDERATION

The Demerged Company is a wholly owned subsidiary of Suzlon Power Infrastructure Limited (SPIL), which in turn is a wholly owned subsidiary of Suzlon Energy Limited. The amalgamation or merger of SPIL with the Resulting Company is underway with the proposed appointed date being prior to the date proposed for this Scheme of Arrangement, and once approved, the Demerged Company will become the wholly-owned subsidiary of the Resulting Company, as on the appointed date of this Scheme.

Therefore, by operation of law and upon demerger of the Business Undertaking I into the Resulting Company, the Demerged Company will not be legally permitted to issue shares to itself. This Scheme does not, envisage, any consideration being payable, either in form of shares or any other form. Such opinion is confirmed by an Independent Registered Valuer.

16. ACCOUNTING TREATMENT

In the books of Demerged Company

Pursuant to Part II of the Scheme coming into effect, the Demerged Company shall account for demerger of Demerged Business Undertaking I in its books as per the applicable accounting principles prescribed under relevant Indian Accounting Standards (Ind AS). It would inter alia include the following:

1. The Demerged Company shall in its books of accounts, reduce the respective carrying values of the assets and liabilities of the Demerged Undertaking I being transferred to and vested in Resulting Company at values appearing in Books of Account of the Demerged Company as on the Appointed Date.
2. The aggregate of the net assets (i.e., difference between the carrying value of assets and liabilities related to Demerged Undertaking 1) standing in the books of accounts of the Demerged Company transferred to the Resulting Company on the Appointed Date, shall be adjusted against the balance in retained earnings of the Demerged Company.

In the books of Resulting Company

Upon the Scheme becoming effective, the demerger of the Business Undertaking I from the Demerged Company into the Resulting Company shall be accounted as per 'the pooling of interests method' in accordance with the Indian Accounting Standard 103 – 'Business Combinations' and other accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 as notified under section 133 of the Companies Act, 2013. No Goodwill shall be created pursuant to the Scheme.

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

The provisions of Part II of this Scheme have been drawn up to comply with the conditions relating to "Demerger" as defined under Section 2(19AA) and section 2(41A) of the IT Act such that:

- All the properties of the Business Undertaking I being transferred by the Demerged Company become the properties of the Resulting Company respectively by virtue of the demerger;

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

- All the liabilities relatable to the Business Undertaking I being transferred by the Demerged Company, immediately before the demerger become the liabilities of the respective the Resulting Company by virtue of the demerger;

- The properties and the liabilities, if any, relatable to the Business Undertaking I being transferred by the Demerged Company are transferred to the Resulting Company respectively at the values appearing in the books of account of the Demerged Company immediately before the demerger; and

- The transfer of the Business Undertaking I will be on a going concern which constitutes independent business activities.

If any of the terms or provisions of Part II of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the IT Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) and section 2(41A) of the IT Act. Such modifications will however not affect the other parts of the Scheme.

18. OTHER

18.1 After the Effective Date and as soon as possible, the Demerged Company shall handover to the Resulting Company all the relevant records, title deeds, contracts, agreements, licences, instruments and all other documents and information pertaining to the assets, properties, rights, privileges, liabilities and obligations etc. of the Business Undertaking I which shall stand transferred to and vested in the Resulting Company in terms of this Scheme.

G.S.V

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

NOTARY GOVERNMENT OF

PART III

DEMERGER OF BUSINESS UNDERTAKING II/ POWER EVACUATION BUSINESS FROM THE DEMERGED COMPANY TO THE RESULTING COMPANY AND ITS TRANSFER AND VESTING IN THE RESULTING COMPANY AND MATTERS CONSEQUENTIAL AND INCIDENTAL THERETO

19. VESTING OF BUSINESS

Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Business Undertaking II (including all the estate, immovable property, movable property, assets, rights, claims, title, interest and authorities including accretions and appurtenances and liabilities of the Business Undertaking II) shall, subject to the provisions of this Clause 19 in relation to the mode of transfer and vesting and pursuant to Section 230 to Section 232 of the Act along with Section 2(19AA) of the IT Act and without any further act or deed, be demerged from the Demerged Company and stand absolute, unconditionally and irrevocably be transferred to and vested in the Resulting Company or be deemed to have been demerged from the Demerged Company and absolutely, unconditionally and irrevocably be transferred to and vested in the Resulting Company as a going concern, so as to become as and from the Appointed Date, the estate, immovable property, moveable property, assets, rights, claims, title, interest and authorities and liability of the Resulting Company, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.

Upon the Scheme coming into effect, the Resulting Company may, if so required under any Applicable Law or otherwise, at any time after the Scheme becoming effective, in accordance with the provisions hereof, execute or enter into any arrangements, conveyance, confirmations, deeds, documents, letters or any other instruments relating to the Business Undertaking with any party to any contract or agreements to which the Demerged Company is a party. For such purposes, if so requested by the Resulting Company, the Demerged Company shall provide all the necessary assistance, sign the necessary documents, appear before the Relevant Authorities including for registration of the documents, etc., without incurring any monetary obligation for such actions.

19.1 ASSETS

Without prejudice to the generality of Clause above, the assets of the Business Undertaking II shall stand transferred to and vested in the Resulting Company in the following manner:

19.1.1 Such of the assets of the Business Undertaking II as are movable in nature, and/or otherwise capable of transfer by manual or constructive delivery and/or endorsement and delivery, the same may, upon coming into effect of this Scheme, be so transferred to the Resulting Company, and shall become the assets of the Resulting Company and title to the assets will be deemed to have been vested accordingly without requiring any deed or instrument of conveyance pursuant to the provisions of Sections 230 to 232 of the Act and shall upon such transfer and vesting become the property and an integral part of the Resulting Company.

All immovable properties (including land together with the buildings and structures standing thereon, leasehold right, licensed property, accretions and appurtenances, development right and FSI) of the Business Undertaking II, whether freehold or leasehold and all documents of title, rights and easements in relation thereto, will stand transferred to and be vested in the Resulting Company, without any further act, instrument or deed and pursuant to the provisions of Sections 230 to 232 of the Act. For the purpose of giving effect to the vesting order passed under Section 232 of the Act

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

G.S.V

in respect of the Scheme, the Resulting Company shall be entitled to exercise all the rights and privileges and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all such immovable properties, including mutation and/or substitution of the title to, or interest in the immovable properties which shall be made and duly recorded by the appropriate authority(ies) in favour of the Resulting Company pursuant to the sanction of the Scheme by the NCLT and upon the effectiveness of this Scheme in accordance with the terms hereof without any further act or deed to be done or executed by the Demerged Company and/or the Resulting Company. It is clarified that the Resulting Company shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/or substitution. Notwithstanding any provision to the contrary, from the Effective Date and until the owned properties, leasehold properties and related rights thereto, license/right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, effected and/or perfected, in the record of the appropriate authority, in favour of the Resulting Company, the Resulting Company is deemed to be authorised to carry on the business in the name and style of the Demerged Company under the relevant agreement, deed, lease and/or license, as the case may be, and the Resulting Company shall keep a record and/or account of such transactions.

19.1.2 In respect of assets of the Business Undertaking II other than those dealt with in Clause 19.1.1 above, including but not limited to receivables, bills, credits, loans, advances and deposits if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc. the same shall stand transferred to and vested in the Resulting Company without any notice or other intimation to any person in pursuance of the provisions of Sections 230 to 232 read with other relevant provisions of the Act to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company. The Resulting Company may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said receivables, bill, credit, loan, advance or deposit stands transferred and vested in the Resulting Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.

19.1.3 For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of bank accounts of the Demerged Company, in relation to or in connection with the Business Undertaking II, has been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank account of the Demerged Company, in relation to or in connection with the Business Undertaking II, in the name of the Demerged Company in so far as may be necessary.

19.1.4 In so far as the assets of the Business Undertaking II are concerned, any Encumbrance over them, to the extent that such Encumbrance relates to any liabilities (other than the Transferred Liabilities) of the Demerged Company shall without any further act, instrument or deed be released and such assets shall be free from such Encumbrance and shall no longer be available as a security for any liabilities of the Business Undertaking of the Demerged Company. The absence of any formal amendment which may be required by a lender or a third party to effect such release shall not affect the operation of the foregoing sentence.

19.1.5 In so far as the assets of the Remaining Business are concerned, any Encumbrance over them, to the extent they relate to the Business Undertaking II transferred liabilities, without any further act, instrument or deed be realised and discharge from such security. The absence of any formal amendment which may be required by a lender or a third party to effect such release shall not affect the operation of the foregoing sentence.

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

G.S.V

19.1.6 Without prejudice to what is stated in Clauses 19.1.1 to 19.1.5 above, the Demerged Company and the Resulting Company shall execute such documents/instruments or do all such acts and deeds including filing of necessary particulars and/or modification of charge with the concerned Registrar of Companies to give formal effect to the above Clauses, if required.

19.1.7 In so far as various incentives, subsidies, exemptions, Rehabilitation schemes, special status, service tax benefits, income tax holiday/benefit/losses and other benefits or exemptions or privileges enjoyed, granted by any Government body, regulatory authority, local authority or by any other person, or availed of by the Demerged Company with respect to the Business Undertaking II are concerned, the same shall, without any further act or deed, in so far as they relate to Business Undertaking II, vest with and be available to the Resulting Company on the same terms and conditions as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company.

19.1.8 Any determination of the value of an asset or liability of the Business Undertaking II for the sole purpose of payment of stamp duty, registration fees or other similar taxes, if any, shall not be regarded as assignment of values to individual asset or liability.

19.2 **TRANSFER OF CONTRACT, DEEDS, ETC.**

19.2.1 Upon coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, undertakings including bond cum legal undertaking, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Business Undertaking II, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which is subsisting or have effect immediately before the Effective Date, shall continue in full force and effect against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or oblige thereto.

19.2.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Business Undertaking II occurs by virtue of this Scheme itself, the Resulting 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 Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Resulting Company shall be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.

19.2.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all approvals, consents, benefits, registrations, entitlements, credits, permissions, licenses, certificates, no objection certificates, exemptions, concessions, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Business Undertaking II shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company. The Resulting Company shall make applications to any Governmental Authority as may be necessary in this behalf.

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

G.S.V

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

19.3 **LIABILITIES**

Without prejudice to the generality of Clause above, the liabilities of the Business Undertaking II shall stand transferred to and vested in the Resulting Company in the following manner:

19.3.1 Upon the Scheme becoming effective, loans, borrowings, debts, liabilities, credit facilities, overdraft facilities, duties and obligations, of the Demerged Company forming part of the Business Undertaking II which may accrue or arise or relate to the period on or before the Effective Date shall, to the extent they are outstanding on the Effective Date, without any further act or deed become the loans, borrowings, debts, liabilities, credit facilities, overdraft facilities, duties and obligations of the Resulting Company and all rights, powers, duties and obligations in relation thereto shall stand transferred to, vested in, and shall be exercised by or against the Resulting Company, as if it has entered into such loans, credit facilities, overdraft facilities or incurred such borrowing, debts, liabilities, duties and obligations. The Resulting Company shall undertake to meet, discharge and satisfy the same to the exclusion of the Demerged Company.

19.3.2 Upon the Scheme becoming effective, loans, borrowings, debts, liabilities, credit facilities, overdraft facilities, duties and obligations of the Demerged Company forming part of the Remaining Business, whether provided for or not in the books of account of the Demerged Company, shall continue to remain as the loans, borrowings, debts, liabilities, duties and obligations of the Demerged Company. The Demerged Company shall undertake to meet, discharge and satisfy the same to the exclusion of the Resulting Company.

19.3.3 Without any prejudice to the provisions of the foregoing Clauses and with effect from the Effective Date, the Demerged Company and the Resulting Company shall enter into and execute such other deeds, instruments, documents and/or writings and/or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the concerned Registrar of Companies to give formal effect to the provisions of this Clause, if required.

19.3.4 With effect from the Effective Date, the Resulting Company alone shall be liable to perform all obligations in respect of the Business Undertaking II transferred liabilities and the Demerged Company shall not have any obligations in respect of liabilities of the Business Undertaking II transferred.

19.3.5 With effect from the Effective Date, the Demerged Company alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to the Remaining Business and the Resulting Company shall not have any obligations in respect of Remaining Business.

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

G.S.V

19.3.6 It is expressly provided that, save as mentioned in this Scheme, no other terms or conditions of liabilities of the Business Undertaking II transferred is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

19.3.7 Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

19.4 For the removal of doubts, it is provided that after the Effective Date the liabilities which arise out of the activities or operations or actions of the Business Undertaking II shall be borne by the Resulting Company only.

20. LEGAL, TAX AND OTHER PROCEEDINGS

20.1 Upon the coming into effect of this Scheme, all legal, tax or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company, under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the Business Undertaking II and shall be continued and enforced by or against the Resulting Company after the Effective Date. In the event that the legal proceedings referred to herein require the Demerged Company and the Resulting Company to be jointly treated as parties thereto, the Resulting Company shall be added as a party to such proceedings and shall prosecute and defend such proceedings in co-operation with the Demerged Company. In the event of any difference or difficulty in determining as to whether any specific legal or other proceedings relate to the Business Undertaking II or not, a decision jointly taken by the Board of Directors of the Demerged Company and the Resulting Company in this regard, shall be conclusive evidence of the matter.

20.2 The Resulting Company shall have all legal or other proceedings initiated by or against the Demerged Company with respect to the Business Undertaking II, transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company.

21. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets, contracts and deeds, etc., liabilities obligations of the Business Undertaking II under Clause 9 and the continuance of the proceedings by or against the Demerged Company under Clause 0 hereof shall not affect any transactions or proceedings already completed by the Demerged Company on or after the Appointed Date to the end and intent that, the Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company as acts, deeds and things made, done and executed by and on behalf of the Resulting Company.

22. EMPLOYEES

22.1 Upon the coming into effect of this Scheme, all the employees relating to the Business Undertaking II that were employed by the Demerged Company, immediately before the Effective Date, shall become employees of the Resulting Company without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the Business Undertaking II of the Demerged

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

G.S.V

Company immediately prior to the transfer and vesting of the Business Undertaking II.

22.2 The Resulting Company agrees that the service of all employees pertaining to the Business Undertaking II with the Demerged Company up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Resulting Company up to the Effective Date. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal or retirement benefits, such past service with the Demerged Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

22.3 Upon the coming into effect of this Scheme, the Resulting Company shall make all the necessary contributions for such transferred employees relating to the Business Undertaking II, and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. The Resulting Company will also file relevant intimations in respect of employees of the Business Undertaking II to the statutory authorities concerned who shall take the same on record and substitute the name of the Resulting Company for the Demerged Company.

22.4 In so far as the existing provident fund, gratuity fund and pension and /or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by the Demerged Company for employees of the Business Undertaking II are concerned, such proportion of the funds, contributions to the funds or the scheme or the investments made into the funds relatable to the employees pertaining to the Business Undertaking II as on the Effective Date, who are being transferred along with the Business Undertaking II in terms of the Scheme, upon the coming into effect of this Scheme, shall be transferred to the necessary funds, schemes or trusts of the Demerged Company and till the time such necessary funds, schemes or trusts are created by the Resulting Company, all contribution shall continue to be made to the existing funds, schemes or trusts of the Demerged Company.

23. BUSINESS AND PROPERTY IN TRUST AND CONDUCT OF THE BUSINESS UNDERTAKING FOR THE RESULTING COMPANY

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

23.1 The Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Business Undertaking II and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, approvals, contracts, investments and strategic decisions of the Business Undertaking II for and on account of, and in trust for, the Resulting Company.

23.2 all profits and income accruing or arising to the Demerged Company from the Business Undertaking II, and any cost, charges, losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Business Undertaking II shall, for all purposes, be treated as and be deemed to be the profits income, losses or expenditure, as the case may be, of the Resulting Company.

23.3 any of the rights, powers, authorities, privileges, attached, related or pertaining to the Business Undertaking II exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for and on behalf of, and in trust for and as

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

G.S.

an agent of the Resulting Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Business Undertaking II that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Resulting Company.

23.4 The Demerged Company undertakes that it will preserve and carry on the business of the Business Undertaking II with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber the Business Undertaking II or any part thereof or recruit new employees or conclude settlements with union or employees without the concurrence of the Resulting Company or undertake substantial expansion or change the general character or nature of the business of the Business Undertaking II or any part thereof save and except in each case:

- if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the Hon'ble NCLT; or
- if the same is expressly permitted by this Scheme; or
- if the prior written consent of the Board of Directors of the Demerged Company has been obtained.

23.5 The Resulting Company and/or the Demerged Company shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government(s), regulatory/local/administrative bodies and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Demerged Company may require to carry on the business of the Business Undertaking II.

24. TAXES

24.1 The Resulting Company will be the successor of the Demerged Company vis-à-vis the Business Undertaking II. Hence, it will be deemed that the benefit of any tax credits whether central, state or local, availed vis-à-vis the Business Undertaking II and the obligations if any for payment of the tax on any assets or income of the Business Undertaking II or their erection and / or construction, etc. shall be deemed to have been availed by the Resulting Company or as the case may be deemed to be the obligations of the Resulting Company.

24.2 All tax holiday including but not limited to benefit under section 80-IAB of the IT Act including its continuing benefits, incentives, exemptions, concessions and other benefits or privileges enjoyed by the Demerged Company in relation to Business Undertaking II, granted by any Government body, regulatory authority, local authority, by any other person or law or availed of by the Demerged Company, are concerned, the same shall, without any further act or deed, in so far as they relate to Business Undertaking II vest with and be available to the Resulting Company on the same terms and conditions.

24.3 With effect from the Appointed Date and upon the Scheme being effective, all taxes, duties, cess receivable/ payable by the Demerged Company relating to the Business Undertaking II including all or any refunds/ credit/ claims/ tax losses / unabsorbed depreciation relating thereto shall be treated as the asset/ liability or refunds/ credit/ claims/ tax losses / unabsorbed depreciation, as the case may be, of the Resulting Company.

24.4 The Demerged Company and the Resulting Company are expressly permitted to revise their tax returns including tax deducted at source (TDS) certificates/ returns and to claim refunds, advance tax credits, excise, service tax and GST credits, set off, etc., on

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

G.S.V

the basis of the accounts of the Business Undertaking II as vested with the Resulting Company upon the coming into effect of this Scheme.

25. CONSIDERATION

The Demerged Company is a wholly owned subsidiary of SPIL, which in turn is a wholly owned subsidiary of Suzlon Energy Limited. The amalgamation or merger of SPIL with the Resulting Company is underway with the proposed appointed date being a day prior to the date proposed for this Scheme of Arrangement, and once approved, the Demerged Company will become the wholly-owned subsidiary of the Resulting Company, as on the appointed date of this Scheme.

Therefore, by operation of law and upon demerger of the Business Undertaking II into the Resulting Company, the Demerged Company will not be legally permitted to issue shares to itself. This Scheme does not, envisage, any consideration being payable, neither in form of shares or any other form. Such opinion has been confirmed by an Independent Registered Valuer.

26. ACCOUNTING TREATMENT

In the books of Demerged Company

Pursuant to Part III of the Scheme coming into effect, the Demerged Company shall account for demerger of Demerged Business Undertaking II in its books as per the applicable accounting principles prescribed under relevant Indian Accounting Standards (Ind AS). It would inter alia include the following:

1. The Demerged Company shall in its books of accounts, reduce the respective carrying values of the assets and liabilities of the Demerged Undertaking II being transferred to and vested in Resulting Company at values appearing in Books of Account of the Demerged Company as on the Appointed Date.
2. The aggregate of the net assets (i.e., difference between the carrying value of assets and liabilities related to Demerged Undertaking II) standing in the books of accounts of the Demerged Company transferred to the Resulting Company on the Appointed Date, shall be adjusted against the balance in retained earnings of the Demerged Company.

In the books of Resulting Company

Upon the Scheme becoming effective, the demerger of the Business Undertaking II from the Demerged Company into the Resulting Company shall be accounted as per 'the pooling of interests method' in accordance with the Indian Accounting Standard 103 – 'Business Combinations' and other accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 as notified under section 133 of the Companies Act, 2013. No Goodwill shall be created pursuant to the Scheme.

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

The provisions of Part III of this Scheme have been drawn up to comply with the conditions relating to "Demerger" as defined under Section 2(19AA) and section 2(41A) of the IT Act such that:

- All the properties of the Business Undertaking II being transferred by the Demerged Company become the properties of the Resulting Company respectively by virtue of the demerger;

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

- All the liabilities relatable to the Business Undertaking II being transferred by the Demerged Company, immediately before the demerger become the liabilities of the respective the Resulting Company by virtue of the demerger;

- The properties and the liabilities, if any, relatable to the Business Undertaking II being transferred by the Demerged Company are transferred to the Resulting Company respectively at the values appearing in the books of account of the Demerged Company immediately before the demerger; and

- The transfer of the Business Undertaking II will be on a going concern which constitutes independent business activities.

If any of the terms or provisions of Part III of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the IT Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) and section 2(41A) of the IT Act. Such modifications will however not affect the other parts of the Scheme.

28. OTHER

28.1 After the Effective Date and as soon as possible, the Demerged Company shall handover to the Resulting Company all the relevant records, title deeds, contracts, agreements, licences, instruments and all other documents and information pertaining to the assets, properties, rights, privileges, liabilities and obligations etc. of the Business Undertaking II which shall stand transferred to and vested in the Resulting Company in terms of this Scheme.

G.S.V

NOTARY

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

Part IV

DEALS WITH REMAINING BUSINESS OF THE DEMERGED COMPANY

29. REMAINING BUSINESS TO CONTINUE WITH THE DEMERGED COMPANY

29.1 The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company subject to the provisions of the Scheme.

29.2 All legal or other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company and the Resulting Company shall in no event be responsible or liable in relation to any such legal or other proceedings by or against the Demerged Company.

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

- The Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;

- all profits and income accruing or arising to the Demerged Company, and any cost, charges, losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Remaining Business shall, for all purposes, be treated as and be deemed to be the profits income, losses or expenditure, as the case may be, of the Demerged Company; and

- all employees relatable to the Remaining Business shall continue to be employed by the Demerged Company and the Resulting Company shall not in any event be liable or responsible for any claims whatsoever regarding such employees.

G.S.V

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

GOVERNMENT OF INDIA

PART V

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

30. APPLICATIONS TO THE HON'BLE NCLT

The Demerged Company and the Resulting Company, shall, with all reasonable dispatch, make applications/ petitions, under Sections 230 to 232 and other applicable provisions of the Act to the Hon'ble NCLT for seeking sanction of this Scheme and for such order as the Hon'ble NCLT may deem fit for bringing the Scheme into effect and all matters ancillary or incidental thereto.

31. PURPOSE

The Purpose of the Scheme is to give effect to the bonafide Rational of the Scheme which includes but not limited to long term vision of Group and contribution to the development of social-economic parameters based on commercial substance of the Scheme and is not motivated to obtain any tax benefit or directly or indirectly, by misuse or abuse of the provisions of Law.

32. MODIFICATIONS OR AMENDMENTS TO THE SCHEME

32.1 The Demerged Company and the Resulting Company, by their respective Board of Directors or any Director/ Executive/ Employee authorised in that behalf (hereinafter referred to as the "Delegates") may assent to, or make, from time to time, any modification(s) or addition(s) to this Scheme which the NCLT or any authorities under law may deem fit to approve of or may impose and which the Board of Directors of the Demerged Company and the Resulting Company, may in their discretion accept, or such modification(s) or addition(s) as the Board of Directors of the Demerged Company and the Resulting Company, or as the case may be, their respective Delegates may deem fit, or require for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme. The Demerged Company and the Resulting Company, by their respective Board of Directors or Delegates are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme. In the event that any conditions are imposed by the NCLT or any authorities, which the Board of Directors of the Demerged Company, and the Resulting Company, find unacceptable for any reason, then the Demerged Company and the Resulting Company, shall be at liberty to withdraw the Scheme.

32.2 For the purpose of giving effect to this Scheme or to any modification(s) thereof or addition(s) thereto, the Delegates of the Demerged Company and the Resulting Company, may give and are authorised to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

33. SCHEME CONDITIONAL UPON APPROVALS /SANCTION

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

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

G.S.V

33.1 The Scheme being approved by the requisite majorities of the respective members (where applicable) of the Demerged Company and the Resulting Company, as required under the Act;

33.2 Necessary order sanctioning the Scheme being filed with Registrar of Companies, Gujarat.

34. EXECUTING DEEDS OR ARRANGEMENTS TO GIVE EFFECT TO THE SCHEME

The Resulting Company, at any time after the Transition period in accordance with the provisions hereof, along with the Demerged Company, if so required under any law or otherwise, will execute documents, deeds or other writings in relation to Business Undertaking I and Business Undertaking II of the Demerged Company in order to give formal effect to the provisions of the Scheme.

The Demerged Company and the Resulting Company, shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings and to carry out or perform all such formalities or compliances, referred to above.

35. MISCELLANEOUS

35.1 Any error, mistake, omission, commission which is apparent and/or absurd in the Scheme should be read in a manner which is appropriate to the intent and purpose of the Scheme.

35.2 Even after the Scheme become effective, the Resulting Company may approach the Hon'ble NCLT for any incidental order(s) to remove any deficiency or overcome any difficulty in implementation of the Scheme or clear any ambiguity or to comply with any statutory requirements which necessitates the order of the Hon'ble NCLT.

35.3 The approval of/ consent to the Scheme by the Shareholders and the creditors of the Demerged Company and the Resulting Company, pursuant to section 230 to 232 of the Act, shall be deemed to be the compliance with all the applicable provisions of the Act and other Applicable Law for all actions to be taken pursuant to the Scheme.

36. BINDING EFFECT

Upon the Scheme becoming effective, the same shall be binding on the Demerged Company, the Resulting Company and all concerned parties including but not limited to the members, creditors or any other stakeholders (including customers, vendors, governmental authorities, etc.) of the Demerged Company and the Resulting Company, and without any further act, deed, matter or thing.

37. SCHEME AS AN INTERGRAL WHOLE AND SEVERABILITY

37.1 The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if it is approved in its entirety unless specifically agreed otherwise by the respective Board of Directors of the Demerged Company and the Resulting Company.

37.2 If any part of this Scheme is found to be unworkable or unviable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of the Demerged Company and the Resulting Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

38. EFFECT OF NON-RECEIPT OF APPROVALS

38.1 In case the Scheme is not approved by the Hon'ble NCLT or any of the approvals or conditions enumerated in the Scheme have not been obtained or complied with, or for any other reason, if this Scheme cannot be implemented, then the board of directors of the Demerged Company and the Resulting Company, shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement the Scheme shall become null and void and each party shall bear their respective costs, charges and expenses in connection with this Scheme.

38.2 If any part of this Scheme hereof is invalid, held illegal by any court of competent jurisdiction, or unenforceable under any 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.

39. COSTS, CHARGES AND EXPENSES

All costs, charges, taxes and other duties and other expenses in relation to or in connection with or incidental to the Scheme arising out of or incurred in carrying out and the implementation thereof shall be borne by the Resulting Company.

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G.S.V

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

SECRETARY GOVERNMENT OF INDIA

ANNEXURE - B

Exhibit - 1

Suzlon Gujarat Windpark Limited
Position of the assets & liabilities as on the appointed date of Demerger (2-April-20)

Particulars (INR)	Project Execution Division	Power Evacuation Division
Property, Plant and Equipment (WDV)	3,66,42,891	27,65,835
Trade receivables	3,20,96,75,609	45,06,15,976
Deposits	13,38,71,477	
Capital advances	13,25,712	
Advances recoverable in kind	85,81,54,500	1,34,22,414
Advance to employees	16,22,128	
Prepaid expenses	1,13,39,363	
Balances with government authorities	61,88,40,723	
Inventories	1,40,23,61,941	12,16,48,484
Cash in hand	5,03,362	
Total assets	**6,27,43,37,706**	**58,84,52,709**
Unsecured loans - Non-current	6,50,00,00,000	
Unsecured loans - current	8,56,24,21,341	57,98,94,245
Trade payables	2,19,00,25,933	85,58,464
Employee payables	3,95,67,782	
Contract liabilities	7,62,35,383	
Statutory dues	2,56,70,197	
Others	5,16,67,712	
Non-current	1,64,13,143	
Current	1,55,86,632	
Total Liabilities	**17,47,75,88,123**	**58,84,52,709**

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