

SCHEME OF MERGER

OF

AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED
("Transferor Company")

WITH

SMS LIMITED
("Transferee Company")

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTION 230 TO 232 AND ANY OTHER

APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

PREAMBLE

This Scheme of Merger ("**the Scheme**") (more particularly described hereinafter) of Ayodhya Gorakhpur SMS Tolls Private Limited ("**Transferor Company**") with SMS Limited ("**Transferee Company**"), and their respective shareholders is presented pursuant to the provisions of section 230 to 232 and other relevant applicable provisions of the Companies Act, 2013 and the rules made there under.


This Scheme is divided into following parts, dealing with:


Part I	Background and Rationale for the Scheme of Merger;
Part II	Definitions and Share Capital of the companies
Part III	Merger and vesting of entire undertaking of the Transferor Company with the Transferee Company (as defined hereinafter).
Part IV	General terms and conditions applicable to the Scheme

PART- I

1. BACKGROUND AND RATIONALE FOR THE SCHEME OF MERGER


- 1.1. Ayodhya Gorakhpur SMS Tolls Private Limited ("**AGSTPL**" or "**Transferor Company**") is currently carrying on the business of collecting tolls, infrastructure management, operating and


For, SMS LIMITED

 Rajesh Gupta,
 CFO

For, AYODHYA GORAKHPUR SMS TOLLWAYS PVT. LTD.

 Pradyumna Paranjape
 Director

maintaining Ayodhya-Gorakhpur stretch of National Highway - 28 in the state of Uttar Pradesh.

- 1.2. SMS Limited ("SMSL" or "Transferee Company") is carrying on the business of construction & commissioning and lump sum turn-key facilities in various infrastructure projects like road bridges, water supply, power transmission, underground mining work etc., for public and private sector enterprises in the Country and waste management activities.
- 1.3. AGSTPL is a wholly owned subsidiary (100% subsidiary) of SMSL and the proposed amalgamation and re-organisation of the legal entities in the group structure shall ensure optimised corporate holding structure more aligned with the business requirements.
- 1.4. Implementation of the Scheme shall result in consolidation of businesses, business credentials, business resources and activities, greater integration of operations, financial strength and flexibility under a single unified entity, facilitating optimum utilization of resources for future, avoiding duplication of efforts and resources by economies of scale, sourcing benefits, vendor rationalization, more focused operational efforts and standardization of business processes.
- 1.5. Consolidated entity to emerge stronger financially resulting in increased business and improved financial leverage.
- 1.6. Both the companies are under common control. The consolidation shall simplify the business structure by eliminating multiple entities and create single unified entity resulting in integration of operations.
- 1.7. Combined entity would be able to effectively optimize the overall administrative and statutory compliances and reduce time and efforts for coordination of financials at group level.
- 1.8. The proposed amalgamation will eliminate the duplication in administrative cost and multiple record keeping thus resulting in cost savings for the Companies. The proposed amalgamation would also reduce the overall compliance cost of the combined entity.
- 1.9. In view of the aforesaid, the Board of Directors of both the Transferor Company and the Transferee Company have considered and proposed this Scheme of merger of the Transferor Company with the Transferee Company. This merger will not affect the rights,

For, SMS LIMITED

 Rajesh Gupta,
 CFO

For, AYODHYA GORAKHPUR SMS TOLLWAYS PVT. LTD.

 Pradyumna Paranjape
 Director

interests of any stakeholder and shall benefit all the stakeholders of the said Companies.

PART- II

2. DEFINITIONS

In this Scheme, unless repugnant to or inconsistent with the subject or context thereof, the following expression shall have the following meaning:-

- 2.1. **“Act”** means the Companies Act, 2013 including rules, regulations, orders and notifications made thereunder or any statutory modification, re-enactment or amendments thereof for the time being in force.
- 2.2. **“Appointed Date”** means October 01, 2022.
- 2.3. **“Board of Director(s)”** or **“Board”** means the board of director(s) of the Transferor and Transferee Company (ies) as the context may require.
- 2.4. **“Operative Date”** means the date on which certified copies of the NCLT’s order sanctioning this Scheme are filed by the companies with the Registrar of Companies, Mumbai. Any references in this Scheme to **“upon this Scheme becoming effective”** or **“upon coming into effect of this Scheme”** or **“upon the Scheme coming into effect”** or **“upon this Scheme becoming operative”** or **“upon coming into operation of this Scheme”** shall be construed to be a reference to the Operative Date.
- 2.5. **“the Transferor Company”** or **“AGSTPL”** means Ayodhya Gorakhpur SMS Tolls Private Limited, a company incorporated under the Companies Act, 1956 on February 06, 2013, having CIN: U63000MH2013PTC240214 and having its registered office at I.T. Park, 20, STPI, Gayatri Nagar, Parsodi, Nagpur- 440 022.
- 2.6. **“the Transferee Company”** or **“SMSL”** means SMS Limited, a company incorporated under the Companies Act, 1956 on May 8, 1997, having CIN: U80100MH1997PLC107906 and having its registered office at IT Park, 20 S.T.P.I. Gayatri Nagar, Parsodi, Nagpur- 440 022 .
- 2.7. **“the Companies”** collectively means the Transferor Company, and the Transferee Company, as the context may require.

For, SMS LIMITED

Rajesh Gupta,
CFO

For, AYODHYA GORAKHPUR SMS TOLLWAYS PVT. LTD.

Pradyumna Paranjape
Director

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- 2.8. "Tribunal" or "NCLT" shall mean the Hon'ble National Company Law Tribunal, Mumbai Bench at Mumbai having jurisdiction over the Companies.
- 2.9. "Undertaking" shall mean and include the entire business and the whole of the Undertaking of the Transferor Company (including business, properties, assets, investments, goodwill, and rights of whatever kind and nature, real or personal, tangible or intangible, that are owned, leased or licensed, liabilities, obligations and commitments) as a going concern together with all its debts, outstanding liabilities, duties and obligations as on the Appointed Date and therefrom and without prejudice to its generality of the foregoing clause the said entire Undertaking includes:

2.9.1. All the properties, whether movable or immovable, tangible or intangible, corporeal or incorporeal, recorded in books of accounts or not, intellectual property whether in possession or reversion, present or contingent, fixed assets, and advances for assets, stock in trade, debtors, current assets, investments, loans and advances, powers, authorities, allotments, approvals and consents, licenses, tenancy rights, tenancy licenses, permits, quotas, subsidies and incentives, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits and advantages of whatsoever nature and wheresoever situated 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 Transferor Company, including but without being limited to all product patents, process patents, trademarks, copyrights, and other industrial, commercial and intellectual properties, trade names, and other commercial rights of any nature whatsoever including any applications filed for securing of any such intellectual property whether in India or abroad, rights and licenses in respect thereof, privileges, liberties, easements, advantages, benefits, leases, ownership flats, authorizations, right to use and avail of telephones, utilities, electricity and electronic, email, internet, leased line connections and installations, and other services, reserves, provisions, funds, benefits of all agreements and all other interests belonging to or in the ownership, power or possession or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company as on the Appointed Date (hereinafter referred to as "the said Assets").

For, SMS LIMITED

Rajesh Gupta,
CFO

For, ANOORN GORAKHPUR SMS TOLLWAYS PVT. LTD.

Pradyumna Paranjape
Director

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2.9.2. All debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date (hereinafter referred to "the said **Liabilities**").


2.9.3. Without prejudice to the generality of Sub-clauses 2.9.1 and 2.9.2 above, the Undertaking of the Transferor Company shall include all reserves, provisions, funds, assets including investments, claims, powers, authorities, allotments, approvals, consents, registrations, contracts, enactments, arrangements, rights, titles, interest, benefits, advantages, leasehold rights and, systems of any kind whatsoever, trademarks, patents and other industrial and intellectual properties whether in India or abroad, rights and benefits of all agreements and other interests including rights and benefits under various schemes of different taxation laws as may belong to or be available to the Transferor Company, rights and powers of every kind, nature and description of whatsoever probabilities, liberties, easements, advantages, and approval of, whatsoever nature and wheresoever situated, belonging to or in ownership, power or possession or control or entitlement of the Transferor Company.


2.9.4. Right to any claim not preferred or made by the Transferor Company in respect of any refund of tax or any refunds from any party, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon with regard to any act, law or rule made by government and all balance with government and government authorities.

2.9.5. All staff, workmen, employees engaged in or relating to the business activities of the Transferor Company.

2.10. "this Scheme" or "the Scheme" or "Scheme of Merger" means this Scheme of amalgamation / merger of Ayodhya Gorakhpur SMS Tolls Private Limited ("Transferor Company") with SMS Limited ("Transferee Company"), and their respective shareholders, in its present form with any amendment/modifications approved or imposed or directed by the shareholders and/or by the NCLT and accepted by the Board of Directors of the Companies respectively under section 230 – 232 of the Act.

2.11. Terms not defined but used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to said terms under the Act, the Income Tax Act, 1961 and / or other applicable laws, rules, regulations and byelaws, as the case

For, SMS LIMITED

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For, AYODHYA GORAKHPUR SMS TOLLWAYS PVT. LTD.

Pradyumna Paranjape
Director

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may be, or any statutory amendment(s) or re-enactment thereof, for the time being in force.

3. SHARE CAPITAL

3.1. The authorised, issued, subscribed and paid-up share capital of the Transferor Company as per latest audited balance sheet as on March 31, 2022 is as under:

Particulars	Amount in Rs.
Authorised Share Capital	
1,60,00,000 equity shares of Rs.10/- each.	16,00,00,000
TOTAL	16,00,00,000
Issued, Subscribed and Paid-up Share Capital	
1,60,00,000 equity shares of Rs.10/- each.	16,00,00,000
TOTAL	16,00,00,000

Subsequently, there is no change in capital structure of the Transferor Company till date. As on date, the Transferee Company and its nominee holds the entire share capital of the Transferor Company. Accordingly, the Transferor Company is a wholly owned subsidiary of the Transferee Company.

3.2. The authorized, issued, subscribed and paid-up share capital of the Transferee Company as per latest audited balance sheet as on March 31, 2022 is as under:

Particulars	Amount in Rs.
Authorised Share Capital	
1,55,00,000 equity shares of Rs.10/- each.	15,50,00,000
TOTAL	15,50,00,000
Issued, Subscribed and Paid-up Share Capital	
1,02,61,382 equity shares of Rs.10/- each fully paid up	10,26,13,820
TOTAL	10,26,13,820

For, SMS LIMITED

Rajesh Gupta,
CFO

For, AVUDHYA GORAKHPUR SMS TOLLWAYS PVT. LTD.

Pradyumna Paranjape
Director

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Subsequently, there is no change in capital structure of the Transferee Company till date.


4. DATE OF TAKING EFFECT


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

PART-III

MERGER AND VESTING OF THE TRANSFEROR COMPANY (INCLUDING ENTIRE UNDERTAKING THEREOF) WITH THE TRANSFEREE COMPANY.

5. With effect from Appointed Date and upon the Scheme becoming effective, pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Act, the entire Undertaking of the Transferor Company stands merged with and be vested in the Transferee Company as a going concern in accordance with Section 2(1B) of the Income Tax Act, 1961, without any further act, deed, instrument, matter in the following manner:
- 5.1. With effect from the Appointed Date, the whole of the Undertaking of the Transferor Company comprising of movable and immovable properties, cash and bank balances and all other assets and liabilities of whatsoever nature and wheresoever situated, shall without any further act or deed (save as provided in Clauses 5.2 and 5.3 below) be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become as from the Appointed Date the assets and liabilities of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein by virtue of this Scheme.
- 5.2. All the movable assets including cash in hand, if any, of the Transferor Company, capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of the Transferor Company and the Board of Directors of the Transferee Company with effect from the Appointed Date.

For, SMS LIMITED

Rajesh Gupta,
CFO

For, ANOCHHA BORAHPUR SMS TOLLWAYS PVT. LTD.

Pradyumna Paranjape
Director

5.3. In respect of movables other than those specified in sub-clause 5.2 above, including outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, and other persons, the following modus operandi or otherwise as agreed by the Board of Directors of the Transferee Company for intimating to third parties shall to the extent possible be followed:

5.3.1. The Transferee Company shall give notice in such form as it may deem fit and proper, to each person, debtor or depositor as the case may be, that pursuant to the Tribunal having sanctioned the Scheme between the Transferor Company and the Transferee Company, the said debt, loan advance or deposit be paid or made good or held on account of the Transferee Company as the person entitled thereto to and that appropriate entry should be passed in its books to record the aforesaid change;

5.3.2. The Transferor Company, shall also give notice in such form as they may deem fit and proper to each person, debt or depositor that pursuant to the Tribunal having sanctioned the Scheme between the Transferor Company and the Transferee Company, the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company and that the right of the Transferor Company, to recover or realise the same stands extinguished.

5.4. In respect of such of the assets and properties of the Undertaking of the Transferor Company as are immovable in nature, whether held as fixed assets and/or inventory and/or investments, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become as and from the Appointed Date, the immovable assets and properties of Transferee Company, without any further act, instrument or deed, and it shall not be necessary to obtain the consent of any third party or other person in order to give effect to the provisions of this clause. From Operative Date, the Transferee Company shall be entitled to exercise and enjoy all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations. The mutation or substitution of the title to the immoveable properties shall upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by appropriate authorities pursuant to the sanction of this Scheme. The Transferee Company shall under the provisions of this Scheme be deemed to be

For, SMS LIMITED

Rajesh Gupta,
CFO

For, AVDHYA GORAKHPUR SMS TOLLWAYS PVT. LTD.

Pradyumna Paranjape
Director

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authorized to execute any such instruments, deeds and writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliances on the part of the Transferor Company to be carried out or performed in order to give effect to the provisions of this clause.

- 5.5. All lease and license agreements, if any, entered into by the Transferor Company with landlords, owners and lessors in connection with the use of the assets, together with security deposits, shall stand automatically transferred and vested in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company.
- 5.6. With effect from the Appointed Date, all debts, liabilities, duties and obligations of every kind, nature and description of the Transferor Company shall also under the provisions of Section 230 read with Section 232 of the Act, without any further act or deed, be merged, be vested, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.
- 5.7. All the registrations in the name of the Transferor Company shall be deemed to be transferred in the name of the Transferee Company from the Operative Date, effective from Appointed Date and the Transferee Company shall give requisite intimations for this purpose to all concerned.
- 5.8. In a case of registrations in the name of the Transferor Company, other than the registrations mentioned above, the Transferee Company may make a fresh application to the appropriate authorities to procure the same, by complying with the requisite laws or regulations.

For, SMS LIMITED

Rajesh Gupta,
CFO

For, AVODHYA GORAKHPUR SMS TOLLWAYS PVT. LTD.


Pradyumna Paranjape
Director


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- 5.9. It is clarified that the Scheme shall not in any manner affect the rights and interest of the creditors of the Transferor Company or be deemed to be prejudicial to their interests.

- 5.10. For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that with effect from the Operative Date until such times the name of the bank accounts of the Transferor Company would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in their names in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Operative Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain banks accounts in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case may be, continued by or against the Transferee Company after the coming into effect of the Scheme. The Transferee Company shall under the provisions of the Scheme be deemed from Appointed Date, to be authorised to execute any such writings on behalf of the Transferor Company, to implement and carry out all formalities and compliances, if required, referred to above. For the purpose of effectively transferring the amounts lying in the Bank accounts and shares lying in demat accounts (if any) of the Transferor Company and for recovering the amounts due, the Transferee Company shall be entitled to continue with their bank accounts and demat account after the Operative Date (if any).

- 5.11. Upon the Scheme coming into effect, the borrowing limits of the Transferee Company, shall without any further act or deed, stand enhanced by an amount equivalent to the authorised borrowing limits of the Transferor Company where applicable, such limits being incremental to the existing limits of the Transferee Company. The Transferee Company may thereafter increase these limits as enhanced from time to time by obtaining sanction from its shareholders in accordance with the provisions of the Act.

For, SMS LIMITED

Rajesh Gupta,
CFO

For, ANCHAYA GORAKHPUR SMS TOLLWAYS PVT. LTD.

Pradyumna Paranjape
Director


- 5.12. The transfer and vesting of all the assets of the Transferor Company, as aforesaid, shall be subject to the existing securities, charges, hypothecation, mortgages and encumbrances, if any, subsisting over or in respect of any of the assets or any part thereof of the Transferor Company, provided however, any reference in any security documents or arrangements (to which the Transferor Company is a party) wherein the assets of the Transferor Company have been or are offered or agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to the assets pertaining to the undertaking of the Transferor Company as are vested in the Transferee Company by virtue of this Scheme, and it shall not operate to enlarge such securities, charges, hypothecations or mortgages to the end and intent that such securities, charges, hypothecations and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferee Company or vice versa.

- 5.13. The securities, charges and mortgages (if any subsisting) over and in respect of the assets, immovable property or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecations or mortgages to the end and intent that such securities, charges, hypothecations and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Company vested in the Transferee Company. Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the merger of the Transferor Company with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security there for after the merger has become operative.

- 5.14. On and from the Appointed Date, all loans, advances, deposits, inter-company balances or investments or any other obligations, if any, due between or amongst the Transferor Company and the Transferee Company shall come to an end and suitable effect shall be given in the books of the Transferee Company. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest, dividend or other charges in respect of any such loans, advances, debentures, investments, deposits, inter-company balances or other obligations (if any) inter-se between the Transferor Company and the Transferee Company.

For, SMS LIMITED

Rajesh Gupta,
CFO

For, AVDHYA GORAKHPUR SMS TOLLWAYS PVT. LTD.

Pradyumna Paranjape
Director

5.15. All resolutions, if any, of the Transferor Company, which are valid and subsisting, shall under the provisions of the Sections 230 to Sections 232 of the Act, if any, without any further act or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be stand and continue to be valid subsisting and be considered as resolutions of the Transferee Company. The provisions of this clause shall operate notwithstanding anything to the contrary contained in any instrument, deed, document or writing or terms of sanction or issue of any security document, all of which instrument, deeds, documents or writings shall stand modified and/or superseded by the foregoing provisions.

6. CONSIDERATION

6.1. For the purposes of this Scheme, it is hereby clarified that all the equity shares of the Transferor Company are owned / held by the Transferee Company and its nominee and therefore there would be no issue of shares by the Transferee Company in this regard.

6.2. Upon the Scheme becoming effective and with effect from the Appointed Date, in consideration of the transfer and vesting of the Undertaking including all Assets and Liabilities of the Transferor Company in the Transferee Company in terms of this Scheme, the entire paid up share capital of the Transferor Company held by the Transferee Company on the Operative Date shall be extinguished or shall be deemed to be extinguished and all such equity shares of the Transferor Company held by the Transferee Company shall be cancelled and shall be deemed to be cancelled without any further application, act or deed.

7. ACCOUNTING TREATMENT

Upon the Scheme coming into effect from the Appointed Date, the Transferee Company shall account for the merger of the Transferor Company with the Transferee Company in accordance with "the Pooling of Interest method" as per Appendix C of Indian Accounting Standard (Ind AS) 103 "Business Combinations" prescribed under Section 133 of the Act as follows:


7.1. The Assets and Liabilities of the Transferor Company shall be reflected at their respective carrying amounts thereof and in the same form as appearing in the consolidated financial statements of Transferee Company.


For, SMS LIMITED
[Signature]
Rajesh Gupta,
CFO

For, AYODHYA GORAKHPUR SMS TOLLWAYS PVT. LTD.
[Signature]
Pradyumna Paranjape
Director

- 7.2. The identity of the reserves of the Transferor Company shall be preserved and the Transferee Company shall record the reserves of the Transferor Company in the same form and at the carrying amount as appearing in the consolidated financial statements of Transferee Company.
- 7.3. As stated in Clause 6 above, no new shares shall be issued or allotted by the Transferee Company pursuant to this Scheme and the investments in the shares of the Transferor Company appearing *inter-alia*, in the books of account of the Transferee Company shall stand cancelled. The difference between the amount of investment in the equity shares of the Transferor Company appearing in the books of account of the Transferee Company and the amount of issued, subscribed and paid-up share capital standing credited in the books of account of the Transferor Company, shall be adjusted in the "Capital Reserve" in the books of account of the Transferee Company and shall be presented separately.
- 7.4. Any inter-company balance(s) and inter-company investments, if any as on the Operative Date between Transferor Company and the Transferee Company shall stand cancelled and corresponding effect shall be given in the books of account and the records of Transferee Company for the reduction of any Assets or Liabilities, as the case may be. There would be no accrual of interest or other charges and there shall be no obligation/outstanding in that behalf in respect of any such intercompany loans, debt, securities or balances with effect from the Appointed Date.
- 7.5. In case of any differences in accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.
- 7.6. Notwithstanding anything contained in any other clause in the scheme, Transferor Company shall give effect to the merger in its books of accounts as per applicable accounting principles and as on the date as prescribed under Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rule, 2015, as may be amended from time to time.

8. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

For, SMS LIMITED

 Rajesh Gupta,
 CFO

For, AYODHYA GORAKHPUR SMS TOLLWAYS PVT. LTD.

 Pradyumna Paranjape
 Director

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Subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or for the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Operative Date, shall be in full force and effect against or in favor of, as the case may be, of the Transferee Company and enforced as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into a tripartite arrangement, confirmation or novation to which the Transferor Company will, if necessary, also be a party in order to give formal effect to this clause if so required or becomes necessary.

9. LEGAL PROCEEDINGS


9.1. If any suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called "the Proceedings") by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking of the Transferor Company or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company if such Scheme was not made.


9.2. On and from the Operative Date, the Transferee Company shall be entitled to initiate any legal proceeding for and on behalf of the Transferor Company for any actions taken by or against the Transferor Company, or any other person, as the case may be. The remedy shall be available notwithstanding the fact the Transferor Company stands dissolved without winding up from the Operative Date.

10. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL OPERATIVE DATE

With effect from the Appointed Date, and up to the Operative Date:

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

For, SMS LIMITED

Rajesh Gupta,
CFO

For, AYODHYA SURAKHPUR SMS TOLLWAYS PVT. LTD.

Pradyumna Paranjape
Director

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- 10.2. All the profits or incomes accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company shall for all purposes be treated and be deemed to be and accrued as the profits and income or expenditure or losses of the Transferee Company, as the case may be.
- 10.3. The Transferor Company shall carry on its business activities with reasonable diligence, business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with assets or any part thereof except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date except with prior written consent of the Transferee Company. The Transferor Company shall ensure that the interest of the Transferee Company is not adversely affected in any manner whatsoever.
- 10.4. The Transferor Company shall not, without prior written consent of the Transferee Company, undertake any new business.
- 10.5. The Transferor Company shall not, without prior written consent of the Transferee Company, take any major policy decisions in respect of the management and for the business and shall not change its present capital structure.

11. EMPLOYEES


- 11.1. All employees of the Transferor Company in service on the Operative Date, if any, shall become employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions not less favourable than those subsisting with reference to the Transferor Company as on the said date.
- 11.2. As far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other special fund ("Fund") created or existing (if any) for the benefit of such permanent employees of the Transferor Company are concerned, on and from the Operative Date, the Transferee Company shall stand substituted for Transferor Company and for such employees of the Transferee Company for all the purposes whatsoever related to administration or operation of such Funds in accordance with provisions of such Funds according to the terms provided in the respective trust deeds or other documents. It is clarified that the services of such permanent employees of the Transferor Company will be treated as having been continuous and not interrupted for the purposes of such Funds.

For, SMS LIMITED


Rajesh Gupta,
CFO

Strictly Private & Confidential

For, AYODHYA GORAKHPUR SMS TOLLWAYS PVT. LTD.


Pradyumna Paranjape
Director

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12. TREATMENT OF TAXES

- 12.1. All or any tax liabilities, refunds, credits, claims, tax incentives, advantages, privileges, exemptions, benefits, remissions, reductions, tax holidays, minimum alternate tax credits relating thereto under the Income-tax Act, 1961, sales tax, value added tax, excise laws, custom duties, goods and services tax or other applicable laws / regulations dealing with taxes / duties / levies/indirect taxes (hereinafter in this clause referred to as "Tax Laws") allocable or related to the Transferor Company whether provided for or covered by tax provisions in the financial statements made as on the Appointed Date, or not, shall be available and be treated as liabilities, refunds, credits, claims of the Transferee Company and shall be transferred to the Transferee Company from and with effect the Appointed Date, and following the Operative Date, the Transferee Company shall be entitled to initiate, raise, add or modify any claims in relation to such Tax Laws on behalf of the Transferor Company even if prescribed limit for such action have elapsed. For avoidance of doubt, input tax credits already availed of or utilized by the Transferor Company in respect of inter se transactions shall not be adversely impacted by cancellation of inter se transactions pursuant to this Scheme. Any surplus in the provision for taxation/ duties/ levies account including advance tax and TDS, credit for minimum alternate tax, credit for goods and service tax as on the Appointed Date will also be transferred to the account of the Transferee Company as applicable.
- 12.2. Any refund under the Tax Laws due to the Transferor Company, consequent to the assessments made on the Transferor Company and for which no credit is taken in the financial statements as on the Appointed Date shall also 'belong to and be received by the Transferee Company as applicable.
- 12.3. Without prejudice to the generality of the above, all benefits, credits, refunds, exemptions, incentives or concessions under Tax Laws as may be applicable to which the Transferor Company are entitled to in terms of the applicable Tax Laws of the Union and State Governments in India, shall be available to and vest in the Transferee Company as applicable.
- 12.4. Transferor Company and Transferee Company shall be entitled to, amongst others, file / or revise its income tax returns, TDS/TCS returns, Goods and service tax returns, excise duty, cess, professional tax or any other statutory returns, if required, credit for

For, SMS LIMITED


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advance tax paid, tax deducted at source, claim for sum prescribed under section 43B of the Income Tax Act on payment basis, claim for deduction of provisions written back by Transferor Company and Transferee Company previously disallowed in the hands of Transferor Company and Transferee Company respectively under the Income Tax Act, credit of tax under section 115JB read with section 115JAA of the Income Tax Act, credit of foreign taxes paid/ withheld, if any, pertaining to Transferee Company and Transferor Company as may be required consequent to implementation of this Scheme and Transferor Company and where necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum. Transferor Company and Transferee Company shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to the income or transactions entered into by them by virtue of this Scheme with effect from Appointed Date. The taxes or duties paid by, for, or on behalf of, Transferor Company and Transferee Company (relating to the period on or after Appointed Date, shall be deemed to be the taxes or duties paid by Transferor Company and Transferee Company, respectively and Transferor Company and/or Transferee Company shall be entitled to claim credit or refund for such taxes or duties.

- 12.5. Any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with Transferor Company and Transferee Company, including any taxes paid and taxes deducted at source and deposited by Transferee Company and Transferor Company on inter se transactions during the period between Appointed Date and the Operative Date, shall be treated as tax paid by Transferor Company and Transferee Company respectively and shall be available to Transferor Company and/or Transferee Company for set-off against its liability under the Income Tax Act and any excess tax so paid shall be eligible for refund together with interest. Further, TDS deposited, TDS certificates issued or TDS returns filed by Transferor Company and Transferee Company on transactions other than inter se transactions during the period between Appointed Date and the Operative Date, as applicable, shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by Transferor Company and Transferee Company respectively. Any TDS deducted by, or on behalf of, Transferor Company and Transferee Company on inter se transactions will be treated as tax deposited by Transferor Company and Transferee Company respectively.

For, SMS LIMITED

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CFO

For, AYODHYA GORAKHPUR SMS TOLLWAYS PVT. LTD.

Pradyumna Paranjape
Director

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13. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Undertaking as per Part III of this Scheme and the continuation of proceedings by or against the Transferee Company shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Operative Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in regard thereto, as if done and executed by the Transferee Company on its behalf.

14. DIVIDEND, PROFIT AND BONUS/RIGHTS SHARES

14.1. The Transferor Company shall not without the prior written consent of the Transferee Company, declare any dividends, whether interim or final, for the financial year ending on or after the Appointed Date and subsequent financial years.

14.2. The Transferor Company shall not issue or allot any bonus shares or rights shares out of its authorised or unissued share capital for the time being.

14.3. Subject to the provisions of this Scheme, the profits of the Transferor Company for the period beginning from the Appointed Date shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit.

14.4. The Transferor Company shall not, except with the consent of the Board of Directors of the Transferee Company, alter its paid up capital structure by making preferential allotment of shares or otherwise, after the approval of the Scheme by the Board of Directors of the Transferee Company.

15. DISSOLUTION OF THE TRANSFEROR COMPANY

The Transferor Company shall be dissolved without winding up on an order made by NCLT under Section 232 of the Companies Act, 2013.

16. COMPLIANCE OF TAX LAWS

The merger of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with

For, SMS LIMITED

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CFO

For, AVADHYA GORAKHPUR SMS TOLLWAYS PVT. LTD.

Pradyumna Paranjape
Director

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effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income-tax Act, 1961 without any further act, deed, and instrument. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income Tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income Tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act, 1961. Such modification shall however not affect the other parts of the Scheme.

PART - IV

GENERAL TERMS AND CONDITIONS

17. COMBINATION OF AUTHORISED SHARE CAPITAL OF THE TRANSFEREE COMPANY

17.1. Upon the Scheme coming into effect, the authorized share capital of the Transferee Company shall automatically stand increased and re-classified without any further act on the part of the Transferee Company including payment of stamp duty and registration fees payable to Registrar of Companies, by clubbing the authorized share capital of the Transferor Company.

17.2. Consequent to the clubbing of the authorized share capital of the Transferor Company with the Transferee Company, the authorized share capital of the Transferee Company shall be Rs 31,50,00,000 divided into 3,15,00,000 equity shares of Rs 10/- each.

17.3. The consent / resolution approving the Scheme shall be deemed to be the approval of clubbing and reclassification in the authorized share capital of the Transferee Company under Section 13 and other applicable provisions of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014. The words and figures in Clause V of the Memorandum of Association, of the Transferee Company relating to the authorized share capital, shall without any further act, instrument be and stand clubbed and reclassified pursuant to Section 13 and other applicable provisions of the Act.

17.4. The following clause in the Memorandum of Association of the Transferee Company shall stand amended to read as under:

Clause V of the Memorandum of Association.

For, SMS LIMITED
[Signature]
Rajesh Gupta,
CFO

For, AYODHYA GORAKHPUR SMS TOLLWAYS PVT. LTD.
[Signature]
Pradyumna Paranjape
Director

“The Authorised Share Capital of the Company is Rs. 31,50,00,000 (Thirty-one Crore Fifty Lakhs only) divided into 3,15,00,000 equity shares of Rs.10/- each with the rights, privileges or conditions attached thereto as per relevant provision contained in this behalf and with the power to increase or reduce the share capital.”

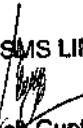
18. APPLICATION TO THE NATIONAL COMPANY LAW TRIBUNAL


The Transferor Company, the Transferee Company with all reasonable dispatch, shall make applications/petitions to the NCLT for sanctioning of the Scheme under Section 230 to 232 and other applicable provisions of the Act to the National Company Law Tribunal, Mumbai Bench at Mumbai for sanctioning of this Scheme and for dissolution of the Transferor Company without winding up under the provisions of the Act.

19. MODIFICATIONS, AMENDMENTS TO THE SCHEME

19.1. The Transferor Company (by its Board of Directors), and the Transferee (by its Board of Directors) may, in their full and absolute discretion, assent to any alteration or modification or amendment of this Scheme which the NCLT, and/or any other competent authority may deem fit to direct or impose and may give such directions as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to its implementation or in any matter connected therewith.

19.2. The Board of Directors of the Transferor Company and the Transferee Company hereby authorise the Board of Directors of the Transferee Company to give assent to any modifications or amendment(s) in the Scheme which may be considered necessary or desirable for any reason whatsoever and without prejudice to the generality of the foregoing and for any reason whatsoever, the implementation of the Scheme shall not get adversely affected as a result of acceptance of any such modification by the Board of Directors of the Transferee Company and the Board of Directors of the Transferor Company be and is hereby authorised by the Board of Directors of the Transferor Company, and the Board of Directors of the Transferee Company to take such steps and to do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith. All amendment/modification pursuant to this clause shall be subject to the approval of NCLT.

For, SMS LIMITED

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For, AYODHYA GORAKHPUR SMS TOLLWAYS PVT. LTD.

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Director

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20. SCHEME CONDITIONAL UPON APPROVALS/ SANCTIONS

This Scheme is specifically conditional upon and subject to:

- 20.1. Approval of an agreement to the Scheme by the requisite majorities in number and in values of such classes of persons of the Transferor Company, the Transferee Company and/or as may be directed by the NCLT or any other Appropriate Authority as may be applicable.
- 20.2. The sanctions of the NCLT being obtained for the Scheme under Sections 230 to 232 and other relevant provisions of the Act and the certified copies or authenticated copies of such orders sanctioning the Scheme being filed with the Registrar of Companies, Mumbai.

21. EFFECT OF NON-RECEIPT OF APPROVAL / SANCTION

In the event of any of the approvals or conditions enumerated in clause 20 above not being obtained or complied or for any reasons this Scheme cannot be implemented, then the respective Board of Directors of the Transferor Company and the Transferee Company shall waive such conditions as they may consider appropriate to give effect appropriately and, as far as possible, to this Scheme and failing such agreement or in case this Scheme is not sanctioned by the NCLT, then the Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred between the Transferor Company and the Transferee Company or their shareholders or any other person. In such case, each Company shall bear its own costs or as may be mutually agreed.

22. EXPENSES CONNECTED WITH THE SCHEME

All cost, charges and expenses in relation to or in connection with this Scheme and of carrying out and completing the terms and provisions of this Scheme and/or incidental to the completion of merger in pursuance of the Scheme shall be borne and paid by the Transferee Company only. Similarly, the Transferee Company shall alone bear any duties or taxes leviable including stamp duty in pursuance to or as a consequence of this Scheme of merger.

23. MISCELLANEOUS

- 23.1. For the avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent the Transferee Company from any corporate actions, including but not limited to (i) raising funds by issue of new

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Director

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equity shares and/ or preference shares and/ or any convertible/ non-convertible instruments and/or in any other manner subject to compliance of Applicable Laws during pendency of this Scheme, (ii) conducting a buyback of its equity shares or (iii) initiating any additional scheme involving the Transferee Company.

23.2. If any part of this Scheme hereof is invalid, ruled illegal by NCLT of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Company and the Transferee Company 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 to the Scheme, in which case the parties to the Scheme shall attempt to bring about a modification in the Scheme, as will best preserve for the parties to the Scheme, the benefits and obligations of the Scheme.

For SMS LIMITED

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