

SCHEME OF ARRANGEMENT

BETWEEN

MAC CHARLES (INDIA) LIMITED

AND

EMBASSY PRISM VENTURES LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

(Under Sections 230 to 232 and other applicable provisions of
the Companies Act, 2013)



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GENERAL

1. PREAMBLE

- 1.1 This Scheme of Arrangement ("**Scheme**", more specifically defined hereinafter) is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other relevant provisions of the Companies Act, 2013, including any statutory modifications or re-enactments or amendments thereof, to the extent applicable and for the time being in force, and also read with Section 2(19AA) and other relevant provisions of the IT Act (*herein defined*) to the extent applicable and other applicable laws, for the demerger of the Demerged Undertaking (*herein defined*) of Mac Charles (India) Limited (hereinafter referred to as the "**Demerged Company**") into Embassy Prism Ventures Limited (hereinafter referred to as the "**Resulting Company**") ("**Demerger**")

2. PARTIES TO THE SCHEME

- 2.1 **Mac Charles (India) Limited**, a limited company incorporated under the Companies Act, 1956 on September 28, 1979, with Corporate Identification Number ("**CIN**") L55101KA1979PLC003620, PAN AAACM9877G, and having its registered office at 1st Floor, Embassy Point, 150, Infantry Road, Bangalore, Karnataka, India 560 001, and is, *inter-alia*, engaged in the business of residential real estate development, generation of power through operation of windmills, commercial real estate activity involving development as well as operation and management of commercial office assets, identifying and making strategic investments, including the formation of subsidiaries for undertaking the stated business activities through them. Embassy Prism Ventures Limited is a wholly owned subsidiary of Mac Charles (India) Limited.
- 2.2 **Embassy Prism Ventures Limited** was incorporated under the Companies Act, 2013 on September 22, 2020 as a private limited company. However, it was subsequently converted into a public limited company with CIN U70109KA2020PLC138875, PAN AAGCE0981M, on August 30, 2024. The registered office of the Resulting Company is located at 1st Floor Embassy, Point 150, Infantry Road, Bangalore, Karnataka, India 560001 and is, set up for the purpose of real estate development *inter alia* for the business of leasing commercial real estate properties.

3. RATIONALE OF THE SCHEME

- 3.1 The rationale for, and the benefits of, the demerger of the Demerged Undertaking, as a going concern, comprising of, *inter alia*, entire ownership and economic interests of the



Demerged Company in the Demerged Undertaking into the Resulting Company are, *inter-alia*, as follows:

- (i) The arrangement would result in an efficient corporate structure with a focused management, and it would be strategically apt to segregate the business to enable them to move forward independently, with greater focus and specialization building further on their respective capabilities.
- (ii) Segregating and separating the Demerged Undertaking would help in attracting the relevant set of investors with matching risk and investment profile of the Demerged Undertaking which would unlock better valuation of the Demerged Undertaking.
- (iii) Dedicated management focus, streamlining of operations, cost optimization and operational efficiencies through the effective and efficient utilization of financial resources, managerial talents and technical skills, thereby protecting and maximizing the value and returns to the shareholders.
- (iv) Enable the Resulting Company to raise secured and unsecured funding from investors for the Demerged Undertaking in an insulated legal entity to secure their investments.
- (v) The Demerged Company is into multiple business involving *inter alia*, residential real estate development, generation of power through operation of windmills, commercial real estate activity involving development as well as operation and management of commercial office assets, identifying and making strategic investments, including the formation of subsidiaries for undertaking the stated business activities through them, etc. The Demerged Undertaking is purely focused on development, operations and management (including maintenance) of commercial office space and accordingly, the differing financial needs and strategic imperatives can be better addressed by the separation of the Demerged Undertaking from the Demerged Company into the Resulting Company, which is a wholly owned subsidiary of the Demerged Company.
- (vi) The Scheme ensures that, while the overall value of the Demerged Company and Resulting Company is enhanced through the segregation of Demerged Undertaking, the stakeholders benefit from a single consolidated value from their shareholding in the Demerged Company which also captures within its existing equity shares, the value of the Resulting Company by virtue of it being a wholly owned subsidiary of the Demerged Company, even post the proposed Demerger.
- (vii) Transfer of the Demerged Undertaking through a Scheme of Arrangement enables the Demerged Company to also subsidiarize the listed Non-Convertible Debentures issued by the Demerged Company in relation to the Demerged Undertaking.



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- (viii) The Resulting Company shall issue RPS (*herein defined*) to the shareholders/ members of the Demerged Company and such RPS shall mirror the equity shareholding pattern of the Demerged Company in the Resulting Company, which is aligned with a tax-compliant demerger under Section 2(19AA) of the Income-tax Act, 1961. Further, given the Demerged Company shall continue to hold the entire equity share capital of the Resulting Company, the entire enhanced equity value of the Demerged Undertaking shall, post demerger, accrue to the Demerged Company and thereby reflecting in the value of its own shares held by the shareholders/ members of the Demerged Company.
- (ix) The Scheme for Demerger is proposed to be adopted for subsidiarizing the Demerged Undertaking which ensures that the Demerged Company and the Resulting Company follow the highest level of compliance and corporate governance by seeking approvals from the relevant Stock Exchanges, SEBI (*herein defined*), NCLT (*herein defined*), and other Governmental Authorities (*herein defined*) and stakeholders, as opposed to any other modes of transfer as specified under Regulation 37A of LODR (*herein defined*).
- (x) Further, the Scheme is not detrimental to the interest of any of the shareholders (including public), creditors, lenders and other stakeholders concerned.

3.2 Accordingly, in view of the aforesaid, the Board has formulated this Scheme to undertake this Demerger pursuant to the provisions of Sections 230-232 and other applicable provisions of the Act.

4. PARTS OF THE SCHEME

4.1 This Scheme is divided into the following parts:

- (i) **Part I:** deals with the definitions and interpretation, date of taking into effect and share capital;
- (ii) **Part II:** deals with the Demerger, consideration for the Demerger of Demerged Undertaking, accounting treatment and other incidental matters thereto;
- (iii) **Part III:** deals with general terms and conditions applicable to the Scheme and other matters consequential and integrally connected thereto.



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PART I

DEFINITIONS AND INTERPRETATION, DATE OF TAKING INTO EFFECT AND SHARE CAPITAL

5. Definitions

In this Scheme, unless repugnant to the meaning or context thereof, (i) capitalized terms defined by inclusion in quotations and/or parenthesis have the meanings so ascribed; (ii) all terms and words not defined in this Scheme shall have the same meanings ascribed to them under Applicable Laws.

- 5.1 “**Accounting Standards**” shall mean the Indian Accounting Standards notified under Section 133 of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015 issued by the Ministry of Corporate Affairs and other accounting principles generally accepted in India basis which the Demerged Company and the Resulting Company are required to prepare its books of account in accordance with the applicable provisions of the Act;
- 5.2 “**Act**” shall mean the Companies Act, 2013, the rules, regulations, notifications and circulars issued, and direction made or issued thereunder and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force;
- 5.3 “**Applicable Law**” shall mean any applicable statute, notification, byelaws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Government Authority, including any statutory modifications or re-enactment thereof for the time being in force, and shall include, without limitation, the listing agreement executed with the Stock Exchange;
- 5.4 “**Appointed Date**” shall mean the same as the “Effective Date” as defined hereunder;
- 5.5 “**Board**” or “**Board of Directors**” in relation to each of the Companies, shall mean the respective board of directors of such Companies and, unless it is repugnant to the context, includes a duly authorised committee of directors;
- 5.6 “**Companies**” shall mean, collectively, the Demerged Company and the Resulting Company;
- 5.7 “**Demerged Company**” shall have the meaning set forth in Clause 1.1;
- 5.8 “**Demerged Undertaking**” shall mean and include, but not limited to, the undertaking, business activities, rights and the entire ownership and economic interests of the



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Demerged Company in the commercial real estate business consisting of planning, developing, leasing (including client/tenant management activity) and maintenance of commercial office space which comprises certain identified real estate assets as detailed in **Part A of Schedule I** and the identified liabilities attributable to the Demerged Undertaking as detailed in **Part B of Schedule I**, and without limitation includes the following:

- (a) all the properties, titles and assets, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent, deposits, investments of all kinds (including shares, scrips, stocks, bonds, debentures, debenture stock, units or pass through certificates), all cash balances with the banks, money at call and short notice, loans, advances, contingent rights or benefits, lease and hire purchase contracts and assets, receivables, cheques and other negotiable instruments (including post-dated cheques), benefit of assets or properties or other interest held in trust, in partnership firms, benefit of any security arrangements, authorities, allotments, approvals, buildings and structures, office and other premises, tenancies, leases, licenses, rights arising out of contracts, fixed and other assets, powers, consents, authorities, registrations, agreements, contracts, engagements, arrangements of all kinds, rights, titles, interests, benefits, leasehold rights, other benefits, advance tax payments under the IT Act, easements, privileges, liberties, grants and advantages of whatsoever nature including pending projects wheresoever situated, belonging to and/ or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed by the Demerged Company pertaining to the Demerged Undertaking, including but without being limited to licenses in respect thereof, privileges, liberties, concessions in terms of duties, subsidies, incentives, as may be available to the Demerged Company pertaining to the Demerged Undertaking, or in relation to any movable or immovable assets (details of immovable property being land and/ or building, whether or not fully developed, are more specifically described in **Schedule II**) of the Demerged Company pertaining to the Demerged Undertaking and including easements, advantages, benefits, rights, grants and exemptions granted under any law, or other enactment, leases, tenancy rights, ownership flats, quota rights, permits, approvals, authorizations, right to use and avail of telephones, telex, facsimile, e-mail, web-connections, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, bank and cash balances, security deposit refunds, outstanding balances, stocks/ investments provisions, funds, benefits of all agreements, sales/ purchase order, licenses, all records, files, papers, computer programs, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customers credit information, customer and supplier pricing information and other records in connection with or relating to the Demerged Company pertaining to the Demerged Undertaking and all other interests including those arising to the Demerged Company pertaining to the Demerged Undertaking and



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including but without being limited to land and building, all fixed and movable plant and machinery, construction equipment, leasehold or freehold, tangible or intangible assets, computers and accessories, software and related data, leasehold improvements, plant and machinery, offices, capital work-in progress, vehicles, furniture, fixtures, fittings, office equipment, telephone, facsimile and other communication facilities and equipment, electricals, appliances, accessories and investments;

- (b) all the debts, liabilities, duties and obligations present and future of the Demerged Company pertaining to the Demerged Undertaking including the contingent liabilities (more specifically detailed in **Part B of Schedule I**);
- (c) all benefits such as credit for advance tax, tax deducted at source, tax collected at source, self-assessment tax, buyback taxes, dividend distribution tax, Minimum Alternate Tax ("MAT") credit whether or not recorded in the books, unabsorbed depreciation (including unabsorbed depreciation as per books of accounts), unabsorbed and accumulated business losses (including loss as per books of accounts), credit of service tax/ sales tax/ value added tax/ Goods and Service Tax ("GST") and any other tax benefits, contracts and arrangements including but not limited to contracts entered into with customers/ tenants, vendors and service providers, permits, licenses, applications, registrations, quotas, entitlement, letter of intent, expression of interest, memorandum of understandings or any other contracts, Governmental Approvals, subsidies, allotments, approvals, consents, privileges, liberties, advantages, incentives, exemptions, credits, holidays, remissions, reductions, easements, all other rights including any deferrals and exemptions, lease rights, receivables, and liabilities related thereto, powers and facilities of every kind, nature and description whatsoever, and all other rights, title, interest, benefit and advantage of whatsoever nature and where-so-ever situated and belonging to or in the possession of or granted in favour of or enjoyed by the Demerged Company (in accordance with Applicable Law), which is in connection with or pertaining or relatable to the Demerged Undertaking;
- (d) all employees, if any, of the Demerged Company belonging to the Demerged Undertaking immediately preceding the Effective Date;
- (e) all deposits and balances with Government, local bodies and other authorities, customers and other persons, share application money, wallet/ pre-paid instruments balances, earnest moneys and/ or security deposits paid or received by the Demerged Company pertaining to the Demerged Undertaking;
- (f) all books, records, files, papers, product specifications and process information, records of standard operating procedures, computer programs along with their licenses, manuals and back-up copies, drawings, designs, structural layout plans/



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drawings, other manuals, data catalogues, quotations, sales and advertising materials and other papers, documents, data and records whether in physical or electronic form, directly or indirectly, in connection with or relating to the business of the Demerged Undertaking;

- (g) all intellectual property rights, if any, including all trademarks, trademark applications, trade names, brands, patents and patent applications, domain names, logo, websites, internet registrations, designs, copyrights, trade secrets and all other interests exclusively relating to the goods or services being dealt with by the business of the Demerged Undertaking but shall not include any assets or liabilities relating to the Residuary Businesses of the Demerged Company; and
- (h) all civil, legal or other litigations and proceedings in relation to the Demerged Undertaking.

It is intended that the definition of the Demerged Undertaking under this clause would enable the transfer of all properties, assets and liabilities of the Demerged Undertaking on a going concern basis from the Demerged Company to the Resulting Company pursuant to the Scheme.

- 5.9 "Effective Date" shall mean the last of the dates on which the conditions and matters referred to in Clause 28.2 hereof occur or have been fulfilled or waived and references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" shall mean the Effective Date;
- 5.10 "Employee Benefit Funds" shall have the meaning set forth in Clause 14.2;
- 5.11 "Employees" shall mean all employees of the Demerged Company, if any, as on the Effective Date;
- 5.12 "Encumbrance" shall mean:
 - (i) Any mortgage, charge (whether fixed or floating), pledge, equitable interest, lien, hypothecation, assignment, deed of trust, title retention, security interest, encumbrance of any kind securing or conferring any priority of payment in respect of any obligation of any person;
 - (ii) Any proxy, power of attorney, voting trust, interest, option, right of other persons, right of set-off, right of first offer, refusal or Transfer restriction in favour of any person;
 - (iii) Any adverse claim as to title, possession or use, conditional sale contract, co-sale contract, trust (other title exception of whatsoever nature);



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- (iv) Other commitment, restriction, limitation or encumbrance of any kind or nature whatsoever including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership; and/ or
- (v) A contract, whether conditional or otherwise, to give or refrain from giving any of the foregoing;

and the term "Encumber" shall be construed accordingly;

- 5.13 "Equity Shares" where the context so requires, shall mean the equity shares of face value INR 10/- (Indian Rupees Ten only) each of the Demerged Company and/ or the Resulting Company, as applicable;
- 5.14 "Governmental Approvals" shall mean any permission, approval, consent, license, permit, order, decree, authorization, registration, filing, notification, exemption or ruling to or from or with any Governmental Authority, including those which have been applied or under process;
- 5.15 "Governmental Authority" shall mean any nation or Government or any province, state or any other political sub-division thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to Government, including any Government authority, agency, department, board, commission or instrumentality, of any other jurisdiction in which a party to this Scheme is resident, any court, tribunal, including the National Company Law Tribunal ("NCLT"), or arbitrator and any securities exchange or body or authority regulating such securities exchange, or any company, business, enterprise or other entity owned or controlled by any of the foregoing;
- 5.16 "IT Act" means the Income-tax Act, 1961, the rules, regulations, notifications and circulars issued thereunder and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force;
- 5.17 "LODR" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015;
- 5.18 "NCLT" or "Tribunal" means the relevant bench of the Hon'ble National Company Law Tribunal having jurisdiction over Mac Charles (India) Limited and Embassy Prism Ventures Limited or any other competent authority as constituted and authorized as per the provisions of the Act for approving any scheme or arrangement, compromise or



- reconstruction of companies under Sections 230 to 232 and other applicable provisions of the Act;
- 5.19 **“Order”** shall mean any order, injunction, judgment, decree, ruling, writ, assessment or award of a court, arbitration body or panel or other Governmental Authority;
- 5.20 **“Record Date”** shall mean the date to be fixed by the Board of Directors of the Resulting Company and the Demerged Company for the purpose of determining the equity shareholders of the Demerged Company to whom Redeemable Preference Shares of the Resulting Company shall be allotted;
- 5.21 **“Records”** shall mean records, files, papers, engineering and process information, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former suppliers, vendors, pricing information, vouchers, registers, ledgers, databases, documents and other books and records, in each case, in any media or format including machine readable or electronic media/ format and other records;
- 5.22 **“Redeemable Preference Shares”** or **“RPS”** shall mean the unlisted, non-cumulative, non-convertible, redeemable preference shares of face value INR 10/- (Indian Rupees Ten only) each of the Resulting Company. The terms of the RPS are more fully described in **Schedule III** to this Scheme;
- 5.23 **“Registrar of the Companies”** means the Registrar of the Companies at Bengaluru, Karnataka, having jurisdiction in relation to the Companies;
- 5.24 **“Residuary Businesses”** shall mean all the undertakings, businesses, activities, operations, assets and liabilities (including bank balances) of the Demerged Company, other than those comprised in the Demerged Undertaking immediately after transfer and vesting of the Demerged Undertaking to the Resulting Company;
- 5.25 **“Resulting Company”** shall have the meaning set forth in Clause 1.1;
- 5.26 **“Rupees”** or **“Rs”** or **“INR”** or **“Indian Rupees”** means Indian rupees, being the lawful currency of Republic of India;
- 5.27 **“Scheme”** or **“the Scheme”** or **“this Scheme”** shall mean this scheme of arrangement including any modification or amendment hereto, made in accordance with the terms hereof, as approved by the appropriate Governmental Authority. The Scheme in no way, is a scheme of compromise or arrangement with the creditors and is not, in any way, adversely affecting the rights of the creditors because the aggregate fair value of assets of the Demerged Company and the Resulting Company are more than sufficient to meet the liabilities of the respective creditors in full. The present Scheme is not a scheme of



- corporate debt restructuring as envisaged under Section 230(2) (c) of the Act or a scheme of compromise or arrangement with creditors;
- 5.28 "SEBI" means the Securities and Exchange Board of India, established under the Securities and Exchange Board of India Act, 1992;
- 5.29 "SEBI Circular" shall mean the circular issued by the SEBI, being Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and any amendments thereof, modifications issued pursuant to regulations 11, 37, 59A and 94, wherever applicable, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015;
- 5.30 "Stock Exchange" or "BSE" means the Bombay Stock Exchange Limited;
- 5.31 "Share Entitlement Ratio" shall mean the ratio set-forth in Clause 20.1 of the Scheme;
- 5.32 "Tax" or "Taxes" or "Taxation" means any and all taxes, assessments, duties, impositions, liabilities and other governmental and statutory charges imposed by any Governmental Authority, state, provincial, local governmental or municipal impositions, including taxes on income, profits, goods, book profits, gains, net wealth, asset values, turnover, services, sales, value added, ad valorem, transfer, withholding, excise, stamp duty and property taxes, and shall further include payments in respect of or on account of tax, whether by way of deduction at source, collection at source, dividend distribution tax, buyback tax, advance tax, self-assessment tax, minimum alternate tax, GST or otherwise or attributable directly or primarily to the Demerged Company and the Resulting Company, together with all surcharge, cess, interest, penalties and additions imposed with respect to such amounts;
- 5.33 "Tax Laws" means all laws, acts, rules and regulations dealing with Taxes including but not limited to the income-tax, wealth tax, sales tax/ value added tax, service tax, GST, excise duty, customs duty or any other levy of similar nature; and
- 5.34 "Transfer" shall mean to transfer, sell, assign, encumber, place in trust (voting or otherwise), exchange, gift or transfer by operation of Law or in any other way, dispose of, whether or not voluntarily.
- 5.35 "Transferring Employees" means (i) all the employees of the Demerged Undertaking as on the Effective Date and (ii) such other employees as identified by the Demerged Company as on the Effective Date.

6. Interpretation

- 6.1 All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning, have the same meaning ascribed to them under the



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Act, the IT Act, the Securities Contract (Regulation) Act, 1956, the Depositories Act, 1996 or other Applicable Law, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

- 6.2 References to "Clauses", "Sections" and "Parts", unless otherwise stated, are references to clauses, sections and parts of this Scheme.
- 6.3 The headings herein shall not affect the construction of this Scheme.
- 6.4 The singular shall include the plural and vice versa.
- 6.5 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed without limitation.
- 6.6 References to any Applicable Law, rules, regulations, byelaws, as the case may be, and any statutory modifications or re-enactments thereof for the time being in force.
- 6.7 References to a person shall include any individual, firm, body corporate (whether incorporated or not), Government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality).
- 6.8 Unless otherwise defined, the reference to the word "days" shall mean calendar days.
- 6.9 References to dates and times shall be construed to be references to Indian dates and times.
- 6.10 Reference to a document includes an amendment or supplement to, or replacement or novation of, that document.

7. **DATE OF TAKING EFFECT**

- 7.1 The Scheme set out herein, in its present form, or with any modification(s) approved or imposed by the appropriate NCLT or any Governmental Authority, shall be effective from the Appointed Date and the Scheme shall be deemed to be operative from the Effective Date.
- 7.2 The provisions contained in this Scheme are inextricably interlinked with the other provisions and the Scheme constitutes an integral whole. The present Scheme would be given effect to only if is approved in its entirety, unless specifically agreed otherwise by the Board.



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7.3 If any clause of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board, affect the validity or implementation of the other clause of this Scheme.

8. SHARE CAPITAL

8.1 Demerged Company:

(i) The share capital structure of the Demerged Company as on August 31, 2024 is as follows:

Authorised Share Capital	Amount in INR
2,00,00,000 Equity Shares of INR 10/- each	20,00,00,000
Total	20,00,00,000
Issued, Subscribed and Paid-up Share Capital	Amount in INR
1,31,01,052 Equity shares of INR 10/- each	13,10,10,520
Total	13,10,10,520

(ii) Subsequent to August 31, 2024 there has been no change in the share capital structure of the Demerged Company.

(iii) The equity shares of the Demerged Company are listed on BSE.

8.2 Resulting Company:

(i) The share capital structure of the Resulting Company as on August 31, 2024 is as follows:

Authorised Share Capital	Amount in INR
10,000 equity shares of INR 10/- each	1,00,000
Total	1,00,000
Issued, Subscribed and Paid-up Share Capital	Amount in INR
10,000 equity shares of INR 10/- each	1,00,000
Total	1,00,000

(ii) Subsequent to August 31, 2024 there has been no change in the share capital structure of the Resulting Company.



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PART II - DEMERGER

TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING OF THE DEMERGED COMPANY INTO THE RESULTING COMPANY

Upon the Scheme becoming effective and with effect from the opening of business hours of the Appointed Date, and subject to the provisions of this Scheme and pursuant to Sections 230 to 232 of the Act, the whole of the Demerged Undertaking of the Demerged Company shall stand demerged in the Resulting Company on a going concern basis and all assets, liabilities, contracts, arrangements, Transferring Employees, permits, licenses, records, no objection certificates, approvals, credentials, litigations, etc. of the Demerged Undertaking shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company, so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, permits, licenses, records, approvals, etc. of the Resulting Company by virtue of, and in the manner provided in this Scheme.

Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, with effect from the Appointed Date:

9. TRANSFER AND VESTING OF ASSETS

- 9.1 Upon this Scheme becoming effective, the Demerged Undertaking (including all the estate, assets, investments, rights, claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) shall, subject to the provisions of this Clause 9 in relation to the mode of transfer and vesting and pursuant to the provisions of Sections 230-232 of the Act and without any further act or deed or instrument, be demerged from the Demerged Company and be transferred to and vested in and/or be deemed to have been demerged from the Demerged Company and transferred to and vested in the Resulting Company, so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Resulting Company. Accordingly, upon the Scheme becoming effective, and subject to the provisions of this Clause 9, the title of such properties and assets shall be deemed to have been mutated and recognized as that of the Resulting Company and the mere filing thereof with the appropriate registrar and sub-registrar or with the relevant Governmental Authority, if and as may be required, shall suffice as record of continuing title with the Resulting Company and shall constitute as a deemed mutation and substitution thereof. The Resulting Company shall, subsequent to the Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard.



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- 9.2 In respect of such assets of the Demerged Undertaking as are immovable properties, all such immovable properties (including but not limited to the land, buildings, offices, factories, sites, tenancy rights related thereto), and other immovable property, including accretions and appurtenances, whether or not included in the books of the Demerged Company, whether freehold or leasehold or on a license basis (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in cooperative housing societies associated with such immovable property), including eligibility to receive the transferable development rights, premium floor space index (ie, FSI), and such other development rights and benefits eligible to be loaded on the immovable property shall stand transferred to and be vested in the Resulting Company, without any act or deed or instrument to be done or executed by the Demerged Company and/ or the Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required. It is hereby explicitly clarified that in the event the Demerged Company or the Resulting Company requires the registration of an amendment agreement/ attornment agreement/ lease transfer agreement/ or fresh lease agreement (pursuant to requirement by any of the parties or applicable law), then all costs relating to the registration, stamp duty, and other charges thereof shall be borne by the Demerged Company/ the Resulting Company, as may be mutually agreed by the respective Board of Directors.
- 9.3 In respect of such of the assets of the Demerged Undertaking as are movable in nature or are otherwise capable of being transferred by delivery of possession or by endorsement and delivery, the same shall be so transferred by the Demerged Company, respectively, upon the coming into effect of the Scheme, and shall become the property of the Resulting Company as an integral part of the Demerged Undertaking with effect from the Appointed Date pursuant to the provisions of Sections 230-232 of the Act without requiring any act or deed or instrument of conveyance for transfer of the same.
- 9.4 In respect of movables, other than those dealt with in Clause 9.3 above, including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Governmental Authority, quasi-governmental authority, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date shall stand transferred to and vested in the Resulting Company without any notice or other intimation to the debtors (although the Resulting Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Resulting Company).
- 9.5 All the brands and trademarks pertaining to the Demerged Undertaking including registered and unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights,



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- trademarks and all such other industrial and intellectual property rights of whatsoever nature pertaining to Demerged Undertaking shall be transferred to the Resulting Company, with effect from the Appointed Date. The Resulting Company shall take such actions as may be necessary and permissible to get the same transferred and/or registered in the name of the Resulting Company.
- 9.6 In respect of such of the assets belonging to the Demerged Undertaking, other than those referred to in Clauses 9.1, 9.2, 9.3, 9.4 and 9.5 above, the same shall, as more particularly provided in Clause 9.1 above, without any further act, instrument or deed, be demerged and/ or deemed to be demerged from the Demerged Company and transferred to and vested in the Resulting Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230-232 of the Act.
- 9.7 All assets, investments, rights, title, interest of the Demerged Company in respect to the Demerged Undertaking shall also, without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230-232 of the Act.
- 9.8 Any asset or property acquired or received or receivable by the Demerged Company in relation to the Demerged Undertaking, after the date of approval of this Scheme by the Board of the Demerged Company but prior to the Effective Date shall, upon the coming into effect of this Scheme, also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the Resulting Company upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the provisions of Sections 230-232 of the Act.
- 9.9 For the avoidance of doubt, upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the provisions of Sections 230-232 of the Act, all the rights, title, interest and claims of the Demerged Company in any property in relation to the Demerged Undertaking shall, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company automatically without the requirement of any further act or deed or instrument.
- 9.10 The entitlement to various benefits (including but not limited to tax) under incentive schemes and policies as applicable in the case of the Demerged Undertaking shall stand transferred to and be vested in and/ or be deemed to have been transferred to and vested in the Resulting Company together with all benefits, entitlements and incentives of any nature whatsoever.
- 9.11 With effect from the Appointed Date and in accordance with Applicable Laws, all incentives, tax deferrals and benefits, carry forward of tax losses, unabsorbed depreciation, tax credits, tax refunds, if any, subsidies, concessions relating to the



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Demerged Undertaking of the Demerged Company, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Demerged Undertaking of the Demerged Company and all rights and benefits that have accrued or which may accrue to the Demerged Company in relation to the Demerged Undertaking, whether before or after the Appointed Date, shall stand vested in or transferred to the Resulting Company, pursuant to the Scheme, without any further act or deed and shall remain valid, effective and enforceable on the same terms and conditions.

- 9.12 On and from the Effective Date and till such time that the name of the bank accounts of the Demerged Company pertaining to the Demerged Undertaking, if any, has been replaced with that of the Resulting Company, the Resulting Company shall be entitled to maintain and operate the bank accounts of the Demerged Undertaking in the name of the Demerged Company and for such time as may be determined to be necessary by the Resulting Company. All cheques and payment orders received in the name of the Demerged Company and pertaining to the Demerged Undertaking after the Effective Date shall be accepted by the bankers of the Demerged Company and credited to the account of the Resulting Company. Similarly, the banker of the Resulting Company shall honour all the payment instructions/ cheques issued by the Demerged Company for payments after the Effective Date.
- 9.13 The balance sheet of the Demerged Undertaking, as on the Appointed Date shall jointly be drawn up by the Board of the Demerged Company and the Resulting Company. It is hereby clarified that any question which may arise as to whether a specified asset or a liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the operations or activities of the Demerged Undertaking shall be decided mutually by the Board of the Demerged Company and the Resulting Company.
- 9.14 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is expressly clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date, all Governmental Approvals, permits, licenses, permissions, rights of way, approval, clearances, consents, benefits, tax incentives/ concessions, registrations, contractor/tender pre-qualifications, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, issued to or granted to or executed in favour of the Demerged Company, and the rights and benefits under the same, in so far as they relate to the Demerged Undertaking and all rights of commercial nature including goodwill, title, interest, quality certifications and approvals, trademarks, trade names, service marks, copy rights, domain names, designs, trade secrets, research and studies, technical knowhow and all such other industrial or intellectual rights of whatsoever nature and all other interests relating to the goods or services forming part of the Demerged Undertaking and the benefit of all statutory and regulatory permissions, Governmental Approvals, environmental approval and consents, registration or other licenses, and consents acquired by the Demerged Company forming part of the Demerged Undertaking shall be transferred to and vested in or deemed to have transferred to or



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vested in the Resulting Company and the concerned licensors and grantors of such approval, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with law, and the Resulting Company on such approval, clearances, permissions so as to empower and facilitate the approval and vesting of the Demerged Undertaking in the Resulting Company and continuation of operations forming part of the Demerged Undertaking in the Resulting Company without hindrance and that such approval, clearances and permissions shall remain in full force and effect in favour of or against 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.

10. TRANSFER OF CONTRACTS, DEEDS, ETC.

- 10.1 Upon this Scheme becoming effective and subject to the provisions of this Scheme including Clause 11, all contracts, Records, deeds, bonds, agreements, licenses, permits, registrations, approvals and other instruments, if any, of whatsoever nature in relation to the Demerged Undertaking to which the Demerged Company is a party or to the benefit of the Demerged Company may be eligible, and which are 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. It is clarified that all agreements with customers, agreements with SEBI and Stock Exchange, agreements with banks/funds, vendor agreements, software or third party licenses, statutory and regulatory permissions, environmental approvals and consents, registrations or other licenses and power of attorneys would get transferred to and vested in the Resulting Company, with effect from the Appointed Date by operation of law as transmission, as the case may be, in favour of the Resulting Company and shall have been deemed to have been entered into by the Resulting Company with such respective parties.
- 10.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Resulting Company may, at any time before or 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.



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- 10.3 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 Governmental Approvals, consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in relation to the Demerged Undertaking, 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. Until such Governmental Approvals, consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in relation to the Demerged Undertaking are transferred to the Resulting Company, the Resulting Company shall be entitled to benefit from the aforesaid, as if the same were originally given by, issued to or executed in favour of the Resulting Company.
- 10.4 Upon the Scheme being effective, the work experience, qualifications, capabilities, legacies and track record with Government/Non-Government agencies/bodies, contracts with clients and with vendors (including technical parameters, past performance, track record, financials, etc.) of the Demerged Company acquired by reason of the completion of various projects and works pertaining to the Demerged Undertaking and certificates of completion of projects or works pertaining to the Demerged Undertaking issued by the clients of the Demerged Company shall be deemed to be part of and belonging to the Resulting Company and shall for all purposes be regarded as the work experience, credentials and qualification, capabilities and legacies (including technical parameters, past performance, track record, financials etc.) and certificates of completion of the Resulting Company.
- 10.5 Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns 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, in so far as it is permissible so to do, till such time as the transfer is effected, and such non-transfer shall not affect the effectiveness of this Scheme.

11. TRANSFER OF LIABILITIES

- 11.1 Upon this Scheme becoming effective, all debts, liabilities, duties and obligations (including but not limited to debentures, bonds, notes and other debt securities), bank guarantees, performance guarantees, corporate guarantees, letters of credit including



contingent liabilities of the Demerged Company in relation to the Demerged Undertaking shall, whether or not included in the books of the Demerged Company, without any further act or deed, stand transferred to and be deemed to be transferred to the Resulting Company and the Resulting Company shall meet, discharge and satisfy the same to the extent they are outstanding as on the Effective Date. It shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 11, other than those consents as required under the Act.

- 11.2 Upon this Scheme becoming effective, all liabilities pertaining to the Demerged Undertaking shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Resulting Company and shall become the loans, debts, liabilities, duties and obligations of the Resulting Company.
- 11.3 Any liabilities relating to the Demerged Undertaking that are incurred after the date of approval of this Scheme by the Board of the Demerged Company but prior to the Effective Date shall, upon the coming into effect of this Scheme, stand transferred and vested in the Resulting Company upon coming into effect of this Scheme and with effect from the Appointed Date, only to the extent such liabilities are considered as a liability of the Demerged Undertaking by the Board in writing.
- 11.4 In so far as the existing Encumbrances, if any, in respect of the Demerged Undertaking, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been encumbered in respect of the Demerged Undertaking transferred to the Resulting Company pursuant to this Scheme. Provided that if any of the assets comprised in the Demerged Undertaking, which are being transferred to the Resulting Company pursuant to this Scheme, have not been encumbered, such assets shall remain unencumbered, and the existing Encumbrances (if any) referred to above shall be extended to and shall continue to operate over such assets. The absence of any formal amendment which may be required by a lender or trustee, or third party shall not affect the operation of the above.
- 11.5 Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, the Demerged Company and the Resulting Company shall execute any instrument(s) and/or document(s) and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of the Companies/ SEBI/ Stock Exchange to give formal effect to the above provisions, if required.



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- 11.6 Upon the coming into effect of this Scheme, the Resulting Company alone shall be liable to perform all obligations in respect of liabilities, which have been transferred to it in terms of this Scheme, and the Demerged Company shall not have any obligations in respect of such liabilities.
- 11.7 It is expressly provided that, save as mentioned in this Clause 11, no other term or condition of the liabilities transferred to the Resulting Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- 11.8 The provisions of this Clause 11 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.
- 11.9 Where any of the liabilities and obligations pertaining to the Demerged Undertaking as on the Appointed Date have been partially or fully discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Resulting Company.
- 11.10 All loans raised and used, and liabilities incurred, if any, by the Demerged Company after the Appointed Date, but prior to the Effective Date, for the Demerged Undertaking shall be deemed to be transferred to and shall be discharged by the Resulting Company without any further act or deed.
- 11.11 Provided that, upon this Scheme coming into effect, all inter-company transactions including loans, contracts executed or entered into by or inter-se between the Demerged Company and the Resulting Company relating to the Demerged Undertaking, if any, shall stand cancelled with effect from the Effective Date and neither the Demerged Company nor the Resulting Company shall have any obligation or liability against the other party in relation thereto. It is specifically clarified that the investments held by the Demerged Company in the Resulting Company does not form part of the Demerged Undertaking and there is no cancellation of equity shares held by the Demerged Company into the Resulting Company envisaged under this Scheme pursuant to or as a result of Demerger.
- 11.12 It is expressly provided that in case any of the debt instruments of the Demerged Company pertaining to the Demerged Undertaking are listed on any Stock Exchange as on the Effective Date, such debt instruments shall be transferred to the Resulting Company as an integral part of this Scheme and the Companies shall take such applicable steps as may be necessary (including seeking requisite approvals under Regulation 59A of LODR, wherever applicable) for ensuring the issuance of such debt instruments by the Resulting Company and listing of the same with the relevant Stock Exchange.. It is hereby clarified that the terms of such debt instruments issued by the Resulting Company,



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pursuant to the Scheme, shall be at such terms as may be mutually agreed by the Resulting Company and the holder of such debt instruments in the Demerged Company.

12. LEGAL, TAXATION AND OTHER PROCEEDINGS

- 12.1 There are no legal, taxation or other statutory proceedings (including before any statutory authority or quasi-judicial authority or tribunal) or any other matters, claims, inquiries, investigations or proceedings under any statute/ law pending in relation to the Demerged Undertaking, other than as disclosed by the Board of the Demerged Company to the Resulting Company, if any.
- 12.2 All legal proceedings of whatsoever nature (except proceedings with respect to Income Tax Act and Goods and Service tax) initiated by or against the Demerged Company pertaining to the Demerged Undertaking and which arises on or after the Effective Date shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or anything contained in this Scheme but shall be continued and enforced by or against the Resulting Company in the manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. It is clarified that all Income tax and GST proceedings in relation to the Demerged Undertaking for a period prior to the Appointed Date shall be enforced against the Demerged Company and pertaining to the period after the Appointed Date shall be enforced against the Resulting Company.
- 12.3 After the Appointed Date, if any proceedings are taken against the Demerged Company in respect of matters referred to in Clause 12.2 above, the Demerged Company shall defend the same at the cost of the Resulting Company and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

13. TREATMENT OF TAXES AND CONSEQUENTIAL MATTERS RELATING TO TAX

- 13.1 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) and Section 72A(4) of the IT Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section(s) of the IT Act at a later date including resulting from an amendment of law or for any other reason whatsoever, the Scheme shall stand modified to the extent determined necessary to comply with amended Section 2(19AA) of the IT Act. Such modification will however not affect the other parts of this Scheme.
- 13.2 Upon the Scheme coming into effect, any tax liabilities under the Tax Laws or other Applicable Law dealing with taxes/ duties/ levies, other than those specified in Clause 12.2 above, allocable or related to the Demerged Undertaking of the Demerged Company, whether provided or not provided for in the books of accounts, made as on the



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date immediately preceding the Appointed Date shall be transferred to the Resulting Company. Similarly, all credits for tax deduction at source, MAT on income relating to the Demerged Undertaking of the Demerged Company, or obligation for deduction of tax at source on any payment made by or to be made by the Demerged Company and related to the Demerged Undertaking shall be made or deemed to have been made and duly complied with by the Resulting Company if so made by the Demerged Company.

- 13.3 Further, any Tax Deducted at Source ("TDS") on transaction undertaken by the Demerged Company with respect to the Demerged Undertaking, if any (from Appointed Date to Effective Date in relation to the Demerged Undertaking for the Resulting Company), notwithstanding those certificates/ challans for the said taxes are in the name of the Demerged Company and not in the name of the Resulting Company, shall be deemed to be advance tax paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.
- 13.4 Upon the Scheme coming into effect, all taxes (including income tax, customs duty, excise duty, central sales tax, applicable state value added tax, GST, Service tax laws, wealth tax, etc.) paid whether by way of TDS, advance tax, all earnest monies, security deposits provisional payments, payment under protest, or otherwise howsoever by the Demerged Company pertaining to the Demerged Undertaking from the Appointed Date, regardless of the period to which they relate, shall be deemed to have been paid for and on behalf of and to the credit of the Resulting Company and the Resulting Company shall be entitled to take credit for such taxes notwithstanding that certificates/challans for the said taxes are in the name of the Demerged Company and not in the name of the Resulting Company. Likewise all taxes (including income tax, customs duty, GST, if any etc.) payable by the Demerged Company in respect of the operations and/or the profits of the Demerged Undertaking on and from the Appointed Date, shall be on account of the Resulting Company and, insofar as it relates to the tax payment (including without limitation income tax, customs duty, GST, if any etc.), whether by way of TDS, advance tax or otherwise howsoever, the same shall be deemed to be the corresponding item paid by the Resulting Company, and, shall, in all proceedings, be dealt with accordingly.
- 13.5 Without prejudice to generality of the aforesaid, any concession or statutory forms under the Tax Laws or local levies issued or received by the Demerged Company pertaining to the Demerged Undertaking, in respect of period commencing from the Appointed Date, shall be deemed to be issued or received in the name of the Resulting Company and benefit of such forms shall be allowable to the Resulting Company in the same manner and to the same extent as would have been available to the Demerged Company.
- 13.6 Without prejudice to the generality of the above, all benefits including under the income tax, customs duty, GST, etc., to which the Demerged Company is entitled to, and which pertains to the Demerged Undertaking, in terms of the applicable Tax Laws of the Governmental Authority shall be available to and vest in the Resulting Company.



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- 13.7 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, GST exemptions, incentives, concessions and other authorizations of the Demerged Company pertaining to the Demerged Undertaking, shall stand transferred by the Order to the Resulting Company, the Resulting Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting Order sanctioning this Scheme.
- 13.8 Any refund, under the IT Act, GST, Service Tax laws, Excise Duty laws, Central Sales Tax, applicable State Value Added Tax laws or other Applicable Law/ regulations dealing with taxes/ duties/ levies due to the Demerged Undertaking of the Demerged Company consequent to the assessment made on the Demerged Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date, notwithstanding that certificates/challans for the said taxes are in the name of the Demerged Company and not in the name of the Resulting Company, shall also belong to and be received by the Resulting Company upon this Scheme becoming effective.
- 13.9 The Demerged Company and the Resulting Company are expressly permitted to, amongst others, file/ revise its income-tax returns, TDS certificates, TDS/ Tax collected at source ("TCS") returns, service tax laws, excise duty, sales tax, value added tax, entry tax, cess, professional tax and other statutory returns, if required, to claim refunds, advance tax credits, credit of foreign taxes paid/withheld, credit for tax deducted at source, claim for sum prescribed under Section 43B of the IT Act on payment basis, claim for deduction of provisions written back by the Demerged Company and the Resulting Company previously disallowed in the hands of the Demerged Company (relating to the Demerged Undertaking) respectively under the IT Act, as may be required consequent to implementation of this Scheme and wherever 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 the Demerged Company or the Resulting Company. The Demerged Company and the Resulting Company shall also be entitled to, amongst others, obtain TDS certificates, including TDS certificates relating to transactions between or amongst the Demerged Company and the Resulting Company and shall have the right to claim refunds, advance tax credits, input tax credit, MAT credit, CENVAT credits, credits of all Taxes paid/ withheld, if any, on the basis of the accounts of the Demerged Undertaking as vested with the Resulting Company upon coming into effect of this Scheme.
- 13.10 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess, receivables/ payables by the Demerged Company relating to the Demerged Undertaking including all or any refunds/ credits/ claims/ tax losses/ accumulated business losses/ unabsorbed depreciation relating thereto shall be treated as the assets/ liability or refund/ credit/ claims/ tax losses/ unabsorbed depreciation, as the case may be, of the Resulting Company.



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- 13.11 Any actions taken by the Demerged Company to comply with tax laws (including payment of taxes, maintenance of records, payments, returns, filings under tax Laws) in respect of the Demerged Undertaking on and from the Appointed Date up to the Effective Date shall be deemed to constitute adequate compliance by the Resulting Company with the relevant obligations under such Tax Laws.
- 13.12 It is hereby clarified that in case of any benefits, incentives, grants, subsidies, etc. under the IT Act, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws, any incentive scheme or policies or any other applicable laws/regulations dealing with Taxes/duties/levies due to the Demerged Company pertaining to the Demerged Undertaking shall stand vested to the Resulting Company upon this Scheme becoming effective.
- 13.13 The Demerged Company shall be empowered to determine if any specific tax liability or any tax proceeding relates to the Demerged Undertaking and whether the same would be transferred to the Resulting Company on the basis of any evidence that it may deem relevant for this purpose.

14. STAFF AND EMPLOYEES

- 14.1 Upon the coming into effect of this Scheme, the Employees of the Demerged Undertaking of the Demerged Company in service as on the Effective Date, if any, shall become the employees of the Resulting Company with effect from the Appointed Date, and, subject to the provisions hereof, on terms and conditions not less favorable than those on which they are employed by the Demerged Company and without any interruption of, or break in, service as a result of the transfer of the Demerged Undertaking. The Resulting Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of the employees with the Demerged Company shall also be taken into account and agrees and undertakes to pay the same as and when payable. It is hereby clarified that prior to the Scheme coming into effect, the Demerged Company shall not vary the terms and conditions of the Employees of the Demerged Undertaking, except in ordinary course of the business.
- 14.2 In so far as the existing benefits including provident fund, gratuity fund and superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by the Demerged Company, *inter-alia*, for its Employees (including Employees of the Demerged Undertaking) are concerned (collectively referred to as the "Employee Benefit Funds"), such proportion of the investments made in the Employee Benefit Funds and liabilities which are referable to the Employees shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Employee Benefit Funds shall, subject to the necessary approvals and permissions and at the discretion of the Resulting Company, either be continued as separate funds of the Resulting Company for



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the benefit of the Employees of the Demerged Undertaking or be transferred to and merged with other similar funds of the Resulting Company. In the event that the Resulting Company does not have its own fund in respect of any of the aforesaid matters, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute in respect of the Employees to the respective Employee Benefit Funds or discharge such liabilities of the Demerged Company, until such time that the Resulting Company creates its own fund, at which time the Employee Benefit Funds, investments, contributions and liabilities pertaining to the Employees shall be transferred to the funds created by the Resulting Company.

- 14.3 In relation to any other fund (including any funds set up by the Government for employee benefits) created or existing for the benefit of the Employees, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bylaws, etc. in respect of the Employees.
- 14.4 In so far as the existing benefits or funds created by the Demerged Company for the Employees of the Residuary Businesses are concerned, the same shall continue and the Demerged Company shall continue to contribute to such benefits or funds in accordance with the provisions thereof, and such benefits or funds, if any, shall be held, *inter-alia*, for the benefit of the Employees of the Residuary Businesses and the Resulting Company shall have no liability in respect thereof.

15. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

From the earlier of the: (i) Scheme being approved by the respective Board of Directors of the Demerged Company and the Resulting Company; and (ii) up to and including the Effective Date:

- 15.1 The Demerged Company (with respect to the Demerged Undertaking) shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets for and on account of, and in trust for the Resulting Company.
- 15.2 The Demerged Company with respect to Demerged Undertaking shall not alter or substantially expand its business, or undertake except with the written concurrence of the Resulting Company: (i) any material decision in relation to its business and affairs and operations other than that in the ordinary course of business; (ii) any agreement or transaction (other than an agreement or transaction in the ordinary course of business), (iii) any new business, or discontinue any existing business or change the capacity of facilities other than that in the ordinary course of business; and (iv) any material amendment to contracts with customers or vendors of the Demerged Undertaking.



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- 15.3 The Demerged Company with respect to Demerged Undertaking shall not vary the terms and conditions of employment of any of its Transferring Employees, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken, except with the written concurrence of the Resulting Company.
- 15.4 The Demerged Company and/or the Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the appropriate Governmental Authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Resulting Company may require to carry on the business of the Demerged Company with respect to the Demerged Undertaking and to give effect to the Scheme.
- 15.5 With effect from the Appointed Date, all profits or income arising or accruing to the Demerged Company with respect to the Demerged Undertaking and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, securities transaction tax, taxes withheld/paid in a foreign country, etc.) or losses arising or incurred by the Demerged Company with respect to the Demerged Undertaking shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, of the Resulting Company.
- 15.6 All loans raised and all liabilities and obligations incurred by the Demerged Company with respect to the Demerged Undertaking prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of the Resulting Company.
- 15.7 For the purpose of giving effect to the Order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the NCLT, the Resulting Company shall, at any time pursuant to the Order(s) approving this Scheme, be entitled to get the record of the change in the legal right(s) upon the demerger of the Demerged Undertaking, in accordance with the provisions of Sections 230 to 232 of the Act. The Resulting Company shall always be deemed to have been authorized to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting Order passed under Sections 230 to 232 of the Act in respect of this Scheme, the Resulting Company shall be entitled to exercise all rights and privileges, and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Governmental 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



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accordance with the terms hereof, without any further act or deed to be done or executed by the Demerged Companies as the case may be. 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. However, it is specifically agreed that the stamp duty payable (including registration charges, if any) on the Order of the NCLT for transfer of assets and liabilities of the Demerged Undertaking to the Resulting Company pursuant to the Scheme shall be borne by the Demerged Company/ the Resulting Company, as may be mutually agreed by the respective Board of Directors.

16. FACILITATION PROVISIONS

- 16.1 Immediately upon the Scheme being effective, the Demerged Company and the Resulting Company shall enter into necessary arrangements including brand licensing agreements, sub-contracting agreements, sub-licensing agreements and shared services agreements, as may be necessary, inter alia in relation to use by the Resulting Company of brands, office space, infrastructure facilities, information technology services, employee/ staff, tax, audit, finance, secretarial, human resource service, security personnel, legal, administrative and other services, etc. of the Demerged Company, and so as to give full effect to the provisions of this Scheme, each, on such terms and conditions that may be agreed between the Companies and on payment of consideration on an arm's length basis and which are in the ordinary course of business.
- 16.2 Further, if required, the Demerged Company will provide office facility management services for the Resulting Company by continuing to work with property manager, landlord, lessor, as may be appropriate in line with the existing arrangement. Status quo for existing operations and services of the Demerged Company shall be maintained.
- 16.3 It is clarified that approval of the Scheme by the shareholders of the Resulting Company under Sections 230 to 232 of the Act shall be deemed to have their approval under Section 188 and other applicable provisions of the Act and Regulation 23 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that no separate approval of the Board and/or Audit Committee or shareholders shall be required to be sought by Resulting Company.

17. PROPERTY IN TRUST

- 17.1 Notwithstanding anything contained in this Scheme, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom are transferred, vested, recorded, effected and/or perfected, in the records of the Governmental Authority(ies), regulatory bodies or otherwise, in favour of the Resulting Company, the Resulting Company is deemed to be authorized to enjoy the property, asset



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or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Governmental Authority(ies) and till such time as may be mutually agreed by the Demerged Company and the Resulting Company, the Demerged Company will continue to hold the property and/or the asset, license, permission, approval as the case may be in trust on behalf of the Resulting Company. It is further clarified that on the Effective Date, notwithstanding the Scheme being made effective, any asset/liability identified as part of the Demerged Undertaking and pending transfer due to the pendency of any approval/consent and/or sanction shall be held in trust by the Demerged Company for the Resulting Company. Immediately upon receipt of such approval/consent and/or sanction such asset and/or liability forming part of the Demerged Undertaking shall without any further act/deed or consideration be transferred/vested in the Resulting Company, with all such benefits, obligations and rights with effect from the Effective Date. All costs, payments and other liabilities that the Demerged Company shall be required to bear to give effect to this Clause 17 shall be borne solely by the Resulting Company and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

18. SAVING OF CONCLUDED TRANSACTIONS & PROCEEDINGS

18.1 The transfer of and vesting of the assets, liabilities and obligations of the Demerged Undertaking under various clauses of this Scheme shall not affect any transaction or proceedings already concluded by the Demerged Company in respect of the Demerged Undertaking on or before the Appointed Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in respect thereto as done and executed on behalf of the Resulting Company.

19. RESIDUARY BUSINESSES

19.1 The Residuary Businesses of the Demerged Company 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 this Scheme.

19.2 All legal, taxation or other proceedings whether civil or criminal (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 at any time thereafter, and in each case relating to the Residuary Businesses (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Residuary Businesses) shall be continued and enforced by or



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against the Demerged Company after the Effective Date, which shall keep the Resulting Company fully indemnified in this behalf.

19.3 If proceedings are initiated or undertaken against the Resulting Company in respect of the matters referred to in Clause 19.2 above, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the Demerged Company shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.

19.4 Up to and including the Effective Date:

- (i) the Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Residuary Businesses for and on its own behalf;
- (ii) all profits accruing to the Demerged Company or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Residuary Businesses shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company; and
- (iii) all assets and properties acquired by the Demerged Company in relation to the Residuary Businesses on or after the date of filing this Scheme with the NCLT and/or after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.

20. **CONSIDERATION FOR THE DEMERGER OF THE DEMERGED UNDERTAKING OF THE DEMERGED COMPANY INTO THE RESULTING COMPANY**

20.1 Upon this Scheme becoming effective and upon the Demerger, transfer and vesting of the Demerged Undertaking, the Resulting Company shall, without any further application or deed, but subject to necessary approvals, if any, issue and allot Redeemable Preference Shares credited as fully paid-up, to the extent indicated below, to the equity shareholders of the Demerged Company, whose name appears in the register of members and/ or in the depositories of the Demerged Company as on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Demerged Company in the following proportion:



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Issue of RPS by the Resulting Company to the equity shareholders of the Demerged Company

- “1 (One) fully paid-up RPS of face value of Rs. 10/- (Rupees Ten only) each of the Resulting Company shall be issued and allotted as fully paid-up for each Equity Share of face value of Rs. 10/- (Rupees Ten only) each fully paid-up held in the Demerged Company.”
- 20.2 The RPS of the Resulting Company to be issued and allotted as provided in Clause 20.1 above shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Resulting Company, and shall rank *pari passu* in all respects with any existing RPS, if any, of the Resulting Company, as the case may be, after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the RPS of the Resulting Company.
- 20.3 Shares held by nominee shareholders in the Demerged Company shall be cumulatively considered for the purpose of issuance of shares to the beneficial owner in the Resulting Company.
- 20.4 The issue and allotment of the new RPS to the shareholders of the Demerged Company as provided in Clause 20 of this Scheme, is an integral part of the Scheme, and shall be deemed to be carried out without requiring any further act on the part of the Resulting Company or its shareholders as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act, were duly complied with.
- 20.5 The new RPS to be issued and allotted by the Resulting Company to the shareholders of the Demerged Company shall be issued in a dematerialized form. All the shareholders who hold shares of the Demerged Company in physical form shall also have the option to receive the RPS, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Demerged Company and/or its Registrar on or before the Record Date. The shareholders who fail to provide such details shall, subject to compliance with Applicable Laws, be issued RPS in physical form. Notwithstanding the above, if as per Applicable Laws, the Resulting Company is not permitted to issue and allot the new RPS in physical form and it has still not received the demat account details of such shareholders of the Demerged Company, the Resulting Company shall issue and allot such shares in lieu of the new RPS entitlement of such shareholders, into a demat suspense account, which shall be operated by one of the directors of the Resulting Company, duly authorized in this regard, who shall upon receipt of appropriate evidence from such shareholders regarding their entitlements, will transfer from such demat suspense account into the individual demat account of such claimant shareholders, such number of shares as may be required in terms of this Scheme.



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- 20.6 In the event the Demerged Company or the Resulting Company restructures its Equity Share capital by way of share split/consolidation/issue of bonus shares/ pursuant to any other scheme of arrangement during the pendency of the Scheme, the Share Entitlement Ratio as provided under Clause 20.1 above, shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 20.7 The Board of the Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned appropriate authorities or regulatory authorities and undertake necessary compliances for the issue and allotment of RPS to the members of the Demerged Company under the Scheme.
- 20.8 The Board of the Demerged Company shall, if and to the extent required, apply for and obtain any approvals from concerned appropriate authorities or regulatory authorities and undertake necessary compliances for the transfer of the Demerged Undertaking to the Resulting Company as consideration for the RPS proposed to be allotted by the Resulting Company under the Scheme.
- 20.9 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in the Demerged Company as if such changes are registered and were operative as on the Record Date.
- 20.10 The issue and allotment of the aforesaid RPS by the Resulting Company to the members of the Demerged Company as provided in this Scheme is an integral part hereof and shall be deemed to be carried out under the orders passed by the NCLT or any appropriate authority without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law were duly complied with.
- 20.11 The Resulting Company shall, to the extent required, take necessary steps to increase or alter or reclassify, if necessary, its authorised share capital suitably to facilitate the issuance and allotment of RPS to the members of the Demerged Company by suitably amending its Memorandum of Association and Articles of Association. The approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company under Sections 230-232 of the Act shall be deemed to be the approval under Section 13 and 14 of the Act and other applicable provisions of the Act and any other consent and approval required in this regard.
- 20.12 The new RPS to be issued by the Resulting Company pursuant to Clause 20.1 above in respect of such of the equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or



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settlement of dispute by order of Court or otherwise, also be kept in abeyance by the Resulting Company.

21. ACCOUNTING TREATMENT IN BOOKS OF THE DEMERGED COMPANY AND THE RESULTING COMPANY

Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Company and the Resulting Company, shall account for the Demerger in accordance with applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time and other generally accepted accounting principles in India.

22. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY:

Upon the coming into effect of this scheme, the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company will be accounted for in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with applicable rules thereof and accounting principles generally accepted in India, as under:

- (i) The Demerged Company shall derecognize the assets and liabilities as identified in relation to the Demerged Undertaking, that are being transferred to the Resulting Company pursuant to the Scheme, at their respective book values as reflecting in the books of the Demerged Company.
- (ii) The difference, if any, between the such book value of the assets and liabilities, that are being transferred to the Resulting Company pursuant to the Scheme as per sub-clause (i) above, would be recorded as / adjusted against the accumulated balance of Retained Earnings (in case of debit balance i.e., if book value of assets is higher than that of liabilities) or Capital Reserve (in case of credit balance i.e., if book value of liabilities is higher than that of assets) within other equity in the books of the Demerged Company.

23. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY:

On the effectiveness of the Scheme and with effect from the Appointed Date:

- (i) the Resulting Company shall record the assets and liabilities of the Demerged Undertaking vested in it pursuant to this Scheme, as per applicable Accounting Standards and with appropriate classification, consistent with the nature of the operations of the Resulting Company;



- (ii) Loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company relating to the Demerged Undertaking will stand cancelled and there shall be no further obligation/ outstanding in that behalf.
- (iii) the Resulting Company shall issue RPS to the shareholders of the Demerged Company as per Clause 20.1 of this Scheme. These RPS shall be issued and recorded at face value and accordingly, the aggregate face value of the shares to be issued shall be credited to the Resulting Company's share capital account;
- (iv) the difference between the net assets of the Demerged Undertaking taken over by the Resulting Company and the RPS issued as per Clause (iii) above, pursuant to the Demerger shall be recorded in the books of the Resulting Company as per applicable Accounting Standards; and
- (v) in case of any differences in accounting policies between the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company shall prevail and impact of the same till the Appointed Date will be quantified and the same shall be appropriately adjusted and reported in accordance with applicable accounting rules and principles so as to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policies.



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PART III - GENERAL TERMS AND CONDITIONS

THE PROVISIONS OF THIS PART SHALL BE APPLICABLE TO ALL OTHER PARTS OF THIS SCHEME

24. APPLICATIONS

- (i) The Companies shall make all necessary applications/ petitions under Sections 230-232 of the Act, to the NCLT or any other appropriate authority of the Central Government or Governmental Authority (as applicable), within whose jurisdiction the registered office of the Companies is situated for sanctioning of the Scheme and all matters ancillary or incidental thereto.
- (ii) The Companies shall be entitled, pending the effectiveness of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Companies may require to give effect to the transfer of the Demerged Undertaking in accordance with this Scheme.
- (iii) The Resulting Company shall be entitled, pending the effectiveness of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Resulting Company may require to carry on the business transferred to it pursuant to this Scheme.

25. MODIFICATIONS TO THE SCHEME AND RESOLUTION OF DIFFICULTIES

25.1 The Companies (by their respective Board or through authorized persons or through sub-committee of the Board), may consent jointly but not individually, on behalf of all persons concerned, and as mutually agreed in writing:

- (i) in their full and absolute discretion, assent to any alteration(s) or modification(s) to this Scheme which the NCLT may deem fit to approve or impose, and/ or effect any other modification or amendment jointly and mutually agreed in writing, including, without limitation, any modifications to the accounting treatment set out in the Scheme due to any change in regulatory or compliance requirements being made applicable to the Companies or to the matters set forth in this Scheme, and to do all acts, deeds and things as may be necessary, desirable or expedient for the purposes of this Scheme;
- (ii) give such directions (acting jointly) as may be mutually agreed in writing as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or



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insolvent shareholders, depositors or debenture holders of the Companies, as the case may be), or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those (to the extent permissible under law);

- (iii) in their full and absolute discretion and by mutual agreement in writing, modify, vary or withdraw this Scheme prior to the Effective Date in any manner at any time;
- (iv) determine jointly by mutual agreement in writing whether any asset, liability, employee, legal or other proceedings pertains to the Demerged Undertaking or not, on the basis of any evidence that they may deem relevant for this purpose; and
- (v) It is further clarified that the Demerged Company and the Resulting Company by their respective Board be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions of law or otherwise whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected therewith.

25.2 Any modification to the Scheme by the Companies, after receipt of sanction by the NCLT in respect of the Scheme, shall be made only with the prior approval of the NCLT.

26. **SCHEME AS AN INTEGRAL WHOLE AND SEVERABILITY**

- (i) The provisions contained in this Scheme are inter-linked with the other provisions and the Scheme constitutes an integral whole. Subject to sub-clause (ii) below, the Scheme would be given effect to only if it is approved in its entirety unless specifically agreed otherwise by the respective Board.
- (ii) If any part of this Scheme is found to be unworkable and/ or unenforceable for any reason whatsoever, the Companies may mutually agree in writing that the same shall not affect the validity or implementation of the other parts and/ or provisions of this Scheme.

27. **DIVIDENDS**

- (i) The Companies shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the period prior to the Effective Date. The shareholders of the Demerged Company shall not be entitled to dividend, if any, declared and paid by the Resulting Company to its shareholders for the accounting period prior to the Appointed Date. Any other dividend shall be recommended/declared only by the mutual consent of the Companies.



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- (ii) It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of a company to demand or claim any dividends from such company which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Board, and subject to the approval, if required, of the shareholders of such company.

28. CONDITIONALITY OF THE SCHEME

28.1 The coming into effect of this Scheme is conditional upon and subject to:

- (i) Obtaining no-objection from the applicable Stock Exchange and/ or SEBI in relation to the Scheme under Regulation 37 and 59A, wherever applicable, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (as amended from time to time);
- (ii) The requisite consent, approval or permission of any Governmental Authorities, which by law may be necessary for the implementation of this Scheme;
- (iii) This Scheme being approved by the respective requisite majorities of the members and creditors of the Demerged Company and the Resulting Company as required under the Act and as may be directed by the NCLT or any other Governmental Authority as may be applicable. Furthermore, as provided in Para I(A)(10)(a) and (b) of the SEBI Circular, the public shareholders of the Demerged Company shall be provided with e-voting facility, as prescribed in Para I(A)(10)(b) of the SEBI Circular, and the Scheme shall be acted upon only if the votes cast by the public shareholders of the Demerged Company in favour of the Scheme are more than the number of votes cast by the public shareholders of the Demerged Company against it;
- (iv) Approval by the NCLT or any other appropriate authority of Central Government or Governmental Authority as required under the Act or any other Applicable Law;
- (v) All other Governmental Approvals, as may be required under the Applicable Law;
- (vi) The certified copies of the Order of the NCLT or any other Governmental Authority sanctioning the Scheme are filed with the Registrar of the Companies, Karnataka by the Demerged Company and the Resulting Company; and
- (vii) Compliance with such other conditions as may be imposed by the NCLT or any other appropriate authority of the Central Government or Government Authorities.



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It is hereby clarified that submission of this Scheme to the NCLT and to the appropriate Governmental Authorities for their respective approvals is without prejudice to all rights, interests, titles or defenses that the Demerged Company and the Resulting Company may have under or pursuant to all Applicable Laws.

28.2 The last of the following dates shall be the "Effective Date" for the purpose of this Scheme:

- (i) the day on which the last of the aforesaid consents, approvals, permissions, resolutions, assignments and orders shall be obtained or passed; and
- (ii) the day on which all necessary certified copies of order under Sections 230-232 of the Act shall be duly filed with the Registrar of the Companies by the Demerged Company and the Resulting Company.

29. **EFFECT OF NON-RECEIPT OF APPROVALS**

29.1 The Companies acting through their respective Boards shall each be at liberty to withdraw this Scheme: (a) in case any condition or alteration imposed by any Governmental Authority is unacceptable to any of them; or (b) they are of the view that coming into effect of this Scheme could have adverse implications on the respective Companies; or (c) on account of events that require such withdrawal as determined by the respective Board of Directors of the Demerged Company and/or Resulting Company

29.2 If this Scheme is not effective within such period as may be mutually agreed upon amongst the Companies through their respective Boards or their authorized representative, this Scheme shall become null, and void and each Party shall bear and pay its respective costs, charges and expenses for and/or in connection with this Scheme.

29.3 In the event of revocation/withdrawal under Clause 29.1 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Companies or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

29.4 If any parts and/or provisions of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Companies through their respective Boards, affect the validity or implementation of the other parts and/or provisions of this Scheme.



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30. COSTS, CHARGES AND EXPENSES

All costs (including without limitation all applicable stamp duty, transfer fees, Taxes of any nature, duties and cesses and legal counsel fees) incurred by the Companies in connection with the Scheme shall be borne by the Demerged Company/ the Resulting Company, as may be mutually agreed by the respective Board of Directors.

31. MISCELLANEOUS

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

31.2 Subject to applicable Clause(s) above, if the Demerged Company and/or the Resulting Company as per this Scheme are unable to fulfil all or any of the conditions on the Effective Date such that it would not be practicable for the Demerged Company to demerge the Demerged Undertaking as contemplated in this Scheme or for that matter if the Resulting Company is unable to carry on the Demerged Undertaking in its own name, for similar reasons, then the Demerged Company shall continue to run the Demerged Undertaking in its own name, in trust and for the benefit of the Resulting Company, up to extended time as may be mutually agreed to between the Demerged Company and the Resulting Company. The Demerged Company and the Resulting Company hereby unequivocally agree and understand that the Resulting Company shall be the economic owner of the Demerged Undertaking from the Appointed Date and all profits/ losses arising out of the Demerged Undertaking with effect from the Appointed Date would accrue to the Resulting Company.



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Schedule I

Part A - Schedule of assets Comprising the Demerged Undertaking The assets of the Demerged Undertaking shall comprise of the following

Brief description of the assets
1. 2.2 Acres Land situated presently at Sankey Road, Vasanth Nagar, Bangalore, Karnataka on which the project comprising of ~5 lakh sq. ft of built-up area and ~4 lakh sq. ft of leasable area is being constructed (currently capitalized as Property Plant and Equipment in the books of the Demerged Company) along with all structures whether under construction or constructed.
2. All fixed assets pertaining to the Demerged Undertaking, if any
3. All advances, credits, deposits related to asset as defined in Point 1.
4. All cash and cash equivalent forming part of the Demerged Undertaking
5. Any other assets related to the Demerged Undertaking and as recorded in the books of accounts of the Demerged Company.

Note: The above list shall be modified/ updated as on the Effective Date as mutually agreed between the Board of the Demerged Company and the Resulting Company.



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Schedule I

Part B – Schedule of Liabilities pertaining to the Demerged Undertaking

The liabilities of the Demerged Undertaking shall comprise of the following

Brief description of the liabilities	
1.	Refer details of Non-Convertible Debentures (“NCD”) issued by the Demerged Company specified under Part C of Schedule I
2.	Operational trade creditors in relation to the Demerged Undertaking
3.	Such other liabilities that are directly attributable to the business of the Demerged Undertaking and as recorded in the books of accounts of the Demerged Company

Note: The above list shall be modified/ updated as on the Effective Date as mutually agreed between the Board of the Demerged Company and the Resulting Company, including any replacement of the liabilities specified herein above.



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Part C - Details of NCDs issued by the Demerged Company

Name of the Issuer	Mac Charles (India) Limited.
Type of Instrument	Senior, Secured, Rated, Redeemable, Listed, Non-Convertible Debentures.
Issue Size	INR 300 Crore (Rupees Three Hundred Crore only) issued in multiple tranches.
First Deemed Date of Allotment	26 th July 2021
Tenor & Maturity of Loan	26 th July 2025 (4 years from the First Deemed date of allotment).
Yield	16% XIRR

Name of the Issuer	Mac Charles (India) Limited.
Type of Instrument	Senior, Secured, Unrated, Redeemable, Unlisted, Non-Convertible Debentures.
Issue Size	INR 50 Crore (Rupees Fifty Crore only) issued in multiple tranches.
First Deemed Date of Allotment	26 th July 2021
Tenor & Maturity of Loan	26 th July 2025 (4 years from the First Deemed date of allotment).
16% XIRR	16% XIRR

Name of the Issuer	Mac Charles (India) Limited.
Type of Instrument	Senior, Secured, Rated, Redeemable, Listed, Non-Convertible Debentures.
Issue Size	INR 320 Crore (Rupees Three Hundred Twenty Crore only) issued in multiple tranches.
First Deemed Date of Allotment	24 th August 2022
Tenor & Maturity of Loan	24 th August 2026 (4 years from the First Deemed date of allotment).
Yield	19.75% XIRR



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Schedule II - Details of Immovable Property forming part of the Demerged Undertaking

96,857 square feet (equivalent to approx. 2.22 Acres) Land situated presently at Municipal No. 28A (Old Municipal No. 28, still earlier Municipal No. 12), Sankey Road, Ward No. 78, (Old Corporation Site No. 2, Bellary Road) Vasanth Nagar, Bangalore, Karnataka (PID No. 78-121-28A) bounded by:

North: Partly Cunningham Road and partly by property belonging to Bhandari and Happy Homes;

East: Private Property;

South: Private Road; and

West: Sankey Road.

Note: The above list shall be modified/ updated as on the Effective Date as mutually agreed between the Board of the Demerged Company and the Resulting Company.



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Schedule III - Terms of the RPS proposed to be issued by the Resulting Company

Particulars	Terms
Instrument	Unlisted, non-cumulative, non-convertible, redeemable preference shares of the Resulting Company
Face Value	The RPS of the Resulting Company will have a face value of INR 10 (Rupees Ten) per RPS.
Premium on issue	The RPS of the Resulting Company will be issued at par.
Dividend	The declaration of dividend shall be subject to the approval of the Board of the Resulting Company.
Tenure	RPS shall carry a maximum tenure of 20 years.
Early Redemption	The RPS of the Resulting Company will be redeemable anytime during the tenure of the RPS at the option of the Resulting Company at their respective face values. Provided however that the non-promoter public shareholders of the Demerged Company shall be given first preference in redemption of RPS in the Resulting Company.
Voting Rights	The RPS shall not carry any voting rights except as provided for under Section 47 of the Companies Act, 2013.
Listing	The RPS shall be unlisted in nature.
Liquidation Preference	In the event of liquidation of the Resulting Company, the RPS shall have priority for repayment over the equity shareholders of the Resulting Company.
Redemption Proceeds	Where the Resulting Company does not have sufficient funds to facilitate the redemption, the Demerged Company undertakes to make available the cashflows to the Resulting Company to facilitate such redemption.



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