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SCHEME OF ARRANGEMENT FOR DEMERGER
BETWEEN
ORIENTAL SALES AGENCIES (INDIA) PRIVATE LIMITED
(DEMERGED COMPANY)
AND
EMAMI REALTY LIMITED
(RESULTING COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS
(UNDER SECTION 230 TO 232 OF THE COMPANIES ACT, 2013
AND RELEVANT RULES MADE THEREUNDER)

(A) PREAMBLE:

This Scheme of Arrangement for Demerger between Oriental Sales Agencies (India) Private Limited and Emami Realty Limited and their respective Shareholders ("the Scheme"), more particularly defined hereinafter is presented under the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, and also read with Section 2(19AA) and other relevant provisions of the Income-tax Act, 1961 as may be applicable, for Demerger of the Real Estate Undertaking (more particularly defined hereinafter) of Oriental Sales Agencies (India) Private Limited and vesting of the same in Emami Realty Limited on a going concern basis.

(B) BACKGROUND AND DESCRIPTION OF THE COMPANIES:

1. Oriental Sales Agencies (India) Private Limited (hereinafter referred to as "Oriental" or the "Demerged Company" or the "Transferor Company"), was incorporated as a private limited company under the Companies Act, 1956 on 12/05/1987 in the State of West Bengal with CIN U51909WB1987PTC042332. The Registered office of the Demerged Company is situated at Acropolis, 13th Floor, 1858/1, Rajdanga Main Road Kasba, Kolkata - 700107.
2. The Demerged Company is currently engaged in the business of (i) Real Estate and (ii) Trading in Paintings/ Shares & Securities. The above businesses are carried out by the Demerged Company either directly or indirectly.
3. Emami Realty Limited (hereinafter referred to as "Emami" or the "Resulting Company"), having CIN L45400WB2008PLC121426, was incorporated as a private limited company under the Companies Act, 1956 on 04/01/2008 in the name of "Slick Properties Private Limited" in the state of West Bengal. Subsequently, on the 25/06/2009 the Resulting Company was converted into a Public Limited Company and its name was changed to "Slick Properties Limited". The name of the Resulting Company was changed from "Slick Properties Limited" to "Emami Infrastructure Limited" and a fresh Certificate of Incorporation consequent upon the change of name was issued on 01/07/2009. Thereafter, on 15/10/2018, the name of the



Resulting Company was changed to “Emami Infrastructure Limited” to “Emami Realty Limited”. The Registered Office of the Resulting Company is situated at Acropolis, 13th Floor, 1858/1, Rajdanga Main Road Kasba, Kolkata - 700107. The equity shares of RESULTING COMPANY are listed on the BSE Limited, the National Stock Exchange of India Limited and the Calcutta Stock Exchange Limited.

4. The Resulting Company is currently engaged in the business of Real Estate and construction.

(C) RATIONALE OF THE SCHEME:

1. The Demerged Company and the Resulting Company are part of the Emami Group.
2. The Demerged Company is currently engaged in the business of (i) Real Estate and (ii) Trading in Paintings/shares & securities.
3. The ‘Real Estate Undertaking’ of the Demerged Company comprises of (i) Leasehold interest on 14.4890 Acres of landed property comprising in Municipal Premises No. 2, Jessore Road, Kolkata - 700028 acquired by a registered Deed of Lease dated 16th April, 2007 (as modified from time to time) made between the Demerged Company and the Governor of the State of West Bengal for a period of 99 years commencing from 10th April 2007 and also the right to renew the same for a further period of 99 years subject to the terms and conditions contained and recorded therein, for the development of which the Demerged Company has entered into Development Agreements dated 30th April, 2011, 27th February, 2013 and 30th December, 2016 (as modified from time to time) with the Resulting Company and (ii) 1,12,505 nos. of equity shares in Delta PV Private Limited, held by the Demerged Company. Presently, Delta PV Private Limited is already a subsidiary (55%) of the Resulting Company and post demerger, the percentage of holding in Delta PV Private Limited is going to be increased to 80%.
4. Recognizing the growth potential of the ‘Real Estate Undertaking’ of the Demerged Company in the backdrop of the fact that the Demerged Company’s ‘Real Estate Undertaking’ has matured, the companies are proposing to consolidate this vertical in the Resulting Company.
5. Accordingly, the management of the companies have examined the relative business strengths and the potential commercial and other synergies of the consolidated entity and proposes to consolidate their real estate businesses under a single entity. As the Demerged Company is having two business undertakings, it was proposed to demerge the real estate undertaking only. Post demerger, the Demerged Company having retained undertaking comprising Trading will be able to focus specifically on the said business of the company, as the same require an altogether different expertise and focus, planning, business strategies and decision making.
6. This arrangement would result in reduction of costs including efficiency in administrative costs, pooling of business and strategic resources, economies of scale and focused management control. The Scheme is in the interest of both the companies and will help in growth and expansion of the businesses. The arrangement would enable the consolidation of business and carry on the same more efficiently and effectively.



- (D) The proposed Scheme, with effect from the Appointed Date is in the interest of the shareholders, creditors, stakeholders and employees, as it would enable a focused business approach for the maximization of benefits to all stakeholders and for the purposes of synergies of business.
- (E) This Scheme is divided into the following parts:-
- (i) Part I, which deals with the definitions and share capital of the Demerged Company and Resulting Company;
 - (ii) Part II, which deals with the demerger of the Real Estate Undertaking of the Demerged Company and vesting of the same into the Resulting Company; and
 - (iii) Part III, which deals with the general terms and conditions as applicable to the Scheme.

PART-I

1. DEFINITIONS

In this Scheme, unless inconsistent with the meaning or context, the following expressions shall have the following meanings:-

- 1.1. “**Act**” means the Companies Act, 2013 and any rules, regulations, circulars or guidelines issued thereunder and shall, if the context so requires and as may be applicable, as amended from time to time and shall include any statutory replacement or re-enactment thereof.
- 1.2. “**Appointed Date**” in relation to the Scheme means 1st April, 2019.
- 1.3. “**Board of Directors**” in relation to Demerged Company and/or the Resulting Company, as the case may be, shall, unless it is repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee of directors,
- 1.4. “**BSE**” means the BSE Limited, the designated stock exchange of the Resulting Company.
- 1.5. “**CSE**” means the Calcutta Stock Exchange Limited.
- 1.6. “**Competent Authority**” means the National Company Law Tribunal (“NCLT”) as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under the relevant provisions of the Act.
- 1.7. “**Demerged Company**” / “**Transferor Company**” means Oriental Sales Agencies (India) Private Limited, a company incorporated under the Companies Act 1956 with CIN U51909WB1987PTC042332 and having its registered office situated at Acropolis, 13th Floor, 1858/1, Rajdanga Main Road Kasba, Kolkata - 700107.
- 1.8. “**Effective Date**” means the means the date on which certified copy of the order of the Hon’ble National Company Law Tribunal, Kolkata Bench under Sections 230 and 232 of the Act sanctioning the Scheme is filed with the Registrar of Companies of West Bengal, Kolkata or the date on which the last of conditions referred to in Clause 15 hereof have been fulfilled,



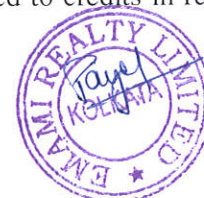
whichever is later. Reference in this Scheme to the “date of coming into effect of this Scheme” or “upon the Scheme becoming effective” shall also mean the Effective Date.

1.9. **“Real Estate Undertaking” or “Demerged Undertaking”** means real estate business undertaken by the demerged company, together with all the related assets, liabilities and employees on a going concern basis and shall include:

- a) Leasehold interest on 14.489 Acres of landed property comprising in Municipal Premises No. 2, Jessore Road, Kolkata - 700028 acquired by a registered Deed of Lease dated 16th April, 2007 (as modified from time to time) made between the Governor of the State of West Bengal for a period of 99 years commencing from 10th April 2007 and also the right to renew the same for a further period of 99 years subject to the terms and conditions contained and recorded therein, therein referred to as the LESSOR of the One Part and Oriental Sales Agencies (India) Private Limited therein referred to as the LESSEE of the Other Part registered at the Office of the Additional Registrar of Assurances Calcutta in Book No. I, Volume no. 1, Pages 1 to 22, being No. 07790 for the year 2007.
- b) Benefits of Development Agreements dated 30th April, 2011, 27th February, 2013 and 30th December, 2016 (as modified from time to time) entered into with the Transferee Company.
- c) 1,12,505 nos. of equity shares in Delta PV Private Limited, held by the Demerged Company.
- d) Agreements to Sub-Lease and/or Conveyance Deeds with the intending Sub-Lessee(s)/assignee(s) of the flats, units, apartments and car parking spaces entered into by the Demerged Company.

Without prejudice and limitation to the generality of the above, the Demerged Undertaking shall mean and include:

- i. all the property and assets of the Demerged Undertaking contained in the Real Estate described in Schedule I annexed hereto, wherever situated whether movable or immovable, leasehold or freehold, owned or leased tangible or intangible, all computers and accessories, software and related data, leasehold improvements, plant and machinery, offices, capital work in progress, vehicles, furniture, fixtures, office equipment, electrical appliances, accessories, pertaining to or relatable to the Demerged Undertaking,
- ii. all rights and licenses, all assignments and grants thereof, all permits, clearances and registrations whether under Central, State or other laws, rights including rights/ obligations under agreements entered into with various persons, contracts, applications, letters of intent, memorandum of understandings or any other contracts, non- disposal undertakings, certifications and approvals, regulatory approvals, entitlements, other licenses consents, tenancies, investments and/or interest (whether vested, contingent or otherwise), Taxes, share of advance tax, tax deducted at source and minimum alternate tax credits (including but not limited to credits in respect of



goods and services tax and other indirect taxes), deferred tax benefits and other benefits in respect of the Demerged Undertaking, cash balances, bank accounts and bank balances, deposits, advances, recoverables, receivables, easements, advantages, financial assets, funds belonging to or proposed to be utilized for the Demerged Undertaking, privileges all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, utilities, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking:

- iii. All books, records, files, papers, governance templates and process information, records of standard operating procedures, computer programmes along with their licenses, manuals and back-up copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly in connection with or relating to the Demerged Undertaking;
- iv. all Permits, licences including environmental licences, fire licences, approvals, registrations, quotas, incentives, powers, building sanction plan, sanction, permission to use/sale/transfer, right to use/sale/transfer, right to lease/sub-lease, any right or permission or sanction of any nature necessary to carry to real estate business/construction, registration with HIRA, any kind of registrations, authorities, allotments, consents, rights, benefits, advantages, municipal permissions, trademarks, designs, copyrights, patents and other intellectual property rights of the Demerged Company pertaining to its demerged undertaking, whether registered or unregistered and powers of every kind, nature and description whatsoever, whether from the government bodies or otherwise, pertaining to or relating to the Demerged Undertaking;
- v. all earnest monies or security deposits, or other entitlements in connection with or relating to the Demerged Undertaking;
- vi. all employees of Demerged Undertaking that are determined by the Board of Directors of Demerged Undertaking to be substantially engaged in or in relation to the Demerged Undertaking, on the date immediately preceding the Effective Date,
- vii. Specific loans and borrowings raised, incurred and utilized for the activities, or operations of the Demerged Undertaking;
- viii. All other liabilities, pertaining to or relatable to the Demerged Undertaking;
- ix. all legal proceedings of whatsoever nature by or against the Demerged Company pending and relating to the Demerged Undertaking.
- x. It is hereby clarified that Excluded Assets and Liabilities do not form part of the Demerged Undertaking and shall continue to vest with and belong to the Demerged Company.
- xi. The balance sheet of the Demerged Undertaking as on the Appointed Date jointly drawn up by the Board of Directors of the Demerged Company and the Resulting



Company is annexed as Schedule I. Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking shall be decided mutually by the Board of Directors of the Demerged Company and the Resulting Company;

- 1.10. “NSE” means the National Stock Exchange of India Limited.
- 1.11. “Record Date” means such date after the Effective Date which the Board of Directors of the Resulting Company may decide for the purposes of issue and allotment of Equity Shares under the Scheme.
- 1.12. “Residual Demerged Company” means businesses of Demerged Company other than the Real Estate Undertaking (as defined in Clause 1.9) and shall specifically include the Trading in Paintings/ shares & securities Division, as may be identified by the Board of Directors of Demerged Company.
- 1.13. “Resulting Company” or “Transferee Company” means Emami Realty Limited, a company incorporated under the Companies Act, 1956 with CIN L45400WB2008PLC121426, and having its registered office situated at Acropolis, 13th Floor, 1858/1, Rajdanga Main Road Kasba, Kolkata - 700107.
- 1.14. “Scheme” means this Scheme of Arrangement for Demerger in its present form submitted to the Competent Authority for sanction or with any modification(s) made under Clause 13 & 14 of this Scheme and/or any modification(s) approved or imposed or directed by the Competent Authority.
- 1.15. “SEBI” means the Securities and Exchange Board of India.
- 1.16. “SEBI Circular” means (i) Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, (ii) Circular No. CFD/DIL3/CIR/2017/26 dated March 23, 2017, (iii) Circular No. CFD/DIL3/CIR/2017/105 dated September 21, 2017 (iv) Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018 issued by SEBI or any other Circulars issued by SEBI applicable to schemes of arrangement from time to time.
- 1.17. “Stock Exchange” shall have the same meaning as ascribed to it under the Securities Contract (Regulation) Act, 1956.

2. SHARE CAPITAL

- 2.1 The Authorised, Issued, Subscribed and Paid-up Share Capital of the Demerged Company as on 31st March, 2019 is as under:



Oriental Sales Agencies (India) Private Limited (Demerged Company)	
Particulars	Amount in Rs
Authorised Share Capital	
55,00,000 equity shares of Rs 10 each	5,50,00,000
Total	5,50,00,000
Issued, Subscribed, Called-up and Paid-up Capital	
35,00,000 equity shares of Rs10 each	3,50,00,000
Total	3,50,00,000

There has been no change in the share capital of Demerged Company post 31st March, 2019;

- 2.2 The Authorised, Issued, Subscribed and Paid-up Share Capital of the Resulting Company as on 31st March, 2019 is as under:

Emami Realty Limited (Resulting Company)	
Particulars	Amount in Rs
Authorised Share Capital	
13,52,50,000 equity shares of Rs 2 each	27,05,00,000
Total	27,05,00,000
Issued, Subscribed, Called-up and Paid-up Capital	
2,79,38,889 equity shares of Rs. 2 each	5,58,77,778
Total	5,58,77,778

There has been no change in the share capital of Resulting Company post 31st March, 2019.

- 2.3 The equity shares of the Resulting Company are listed on the NSE, the BSE and the CSE. The equity shares of the Demerged Company are not listed on any Stock Exchange.

PART II

DEMERGER AND VESTING OF REAL ESTATE UNDERTAKING OF DEMERGED COMPANY INTO RESULTING COMPANY

3. TRANSFER AND VESTING OF REAL ESTATE UNDERTAKING

- 3.1 The Real Estate Undertaking of Demerged Company, as defined in Clause 1.9, shall stand transferred to and vested in or deemed to be transferred to and vested in Resulting Company, as a going concern, in accordance with Section 2(19AA) of the Income Tax Act, 1961. If any terms or provisions of the Income Tax Act, 1961, get amended at a later date including resulting from an amendment of law or for any other reason whatsoever, then the provisions of the said Section of the Income Tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income Tax Act, 1961.
- 3.2 Upon the Scheme becoming effective and with effect from the Appointed Date, the whole of the undertaking and assets and properties and brands of the Real Estate Undertaking, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any,

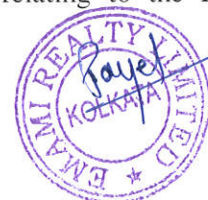


of the Act, without any further act or deed, stand transferred to and vested in and/or deemed to be transferred to and vested in Resulting Company, so as to vest in the Resulting Company all the rights, title and interest pertaining to the Real Estate Undertaking.

Further, the date of entitlement/ownership of the Resulting Company relating to all assets, properties, leasehold land, right, benefits, approvals, ownership, title, powers, interests, authorities, licenses, privileges, liberties will be from the date to which the Demerged Company pertaining to the Real Estate Undertaking was entitled and it will be treated that the same has been entered into with the Resulting Company and the Resulting Company will step into the shoes of the Demerged Company pertaining to the Real Estate Undertaking.

Notwithstanding the generality of the foregoing provisions, all electricity, gas, water and other utility connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities in different states pertaining to the Demerged Undertaking, together with security deposits and all other advances paid, shall stand automatically transferred in favour of the Resulting Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed

- 3.3 Upon the Scheme becoming effective and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of Demerged Company relating to the Real Estate Undertaking shall, without any further act or deed be and stand transferred to Resulting Company so as to become as from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of Resulting Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.
- 3.4 After the Effective Date, Resulting Company undertakes to meet, discharge and satisfy the said liabilities to the exclusion of Demerged Company and to keep Demerged Company indemnified at all times from and against all such liabilities and from and against all actions, demands and proceedings in respect thereto.
- 3.5 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, building sanction plan, permissions or approvals or consents including but not limited to license, brands, registered and unregistered trademarks, copyrights, designs, and all other intellectual property held by Demerged Company required to carry on operations in the Real Estate Undertaking shall stand vested in or transferred to Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of Resulting Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to Resulting Company pursuant to the Scheme. In so far as the various incentives given by the Government of West Bengal/ Government of India, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by Demerged Company relating to the Real Estate



Undertaking are concerned, the same shall vest with and be available to Resulting Company on like same terms and conditions.

3.6 With effect from the Appointed Date, all the accumulated and unabsorbed depreciation tax losses pertaining to the Real Estate Undertaking shall stand vested in or transferred to Resulting Company in terms of Section 72A(4) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 72A(4) of the Income-tax Act, 1961.

3.7 The transfer and vesting of Real Estate Undertaking as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to Real Estate Undertaking to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Real Estate Undertaking.

In so far as any Encumbrance/charges/mortgages in respect of Liabilities relating to the Demerged Company is concerned, such Encumbrance/charges/mortgages shall, without any further act, instrument or deed being required to be taken or modified, be extended to and shall operate only over the assets comprised in the Demerged Company. 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 in respect of the Liabilities relating to the Demerged Undertaking, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over either to such assets or to the assets/properties of the Resulting Company existing as on effective date. 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.

3.8 The Demerged Company may, at its sole discretion but without being obliged to, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, any debt, receivable, bill, credit, loan, advance, debenture or deposit relating to the Demerged Undertaking stands transferred to and vested in the Resulting Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.

3.9 The Resulting Company shall be entitled to benefit of all insurance policies which have been issued in relation to the Real Estate Undertaking of the Demerged Company and the name of the Resulting Company shall be substituted as the "insured party" in the policies as if the Resulting Company was initially a party. Further during the validity of insurance policy and till the name of Resulting Company is not substituted the Demerged Company can file claim, if any relating to the demerged undertaking on behalf of the Resulting Company.

3.10 Without prejudice to the provisions of the foregoing sub-clauses of this Clause 3 and upon the Scheme becoming effective, the Demerged Company and the Resulting Company may execute any and all instruments or documents and do all acts, deeds and things as may be



required, including filing of necessary particulars and/ or modification(s) of charge with the concerned ROC or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme.

- 3.11 This Scheme shall be deemed to ensure that any amount owing by Demerged Company as on the Appointed Date, or at any time thereafter, is owned either by Demerged Company or Resulting Company such that the liabilities and debts pertaining to the Demerged Undertaking are demerged and vested with Resulting Company and those pertaining to the Residual Demerged Company continue to be the debts or liabilities of Demerged Company. Any charge, security interest, lien, statutory lien or statutory charge pertaining to any assets of the Demerged Undertaking shall continue to have effect only on the assets of the Demerged Undertaking and shall cease to have effect on the assets of the Residual Demerged Company. Likewise, any charge, security interest, lien, statutory lien or statutory charge pertaining to any assets of the Residual Demerged Company shall continue to have effect only on the assets of the Residual Demerged Company and shall cease to have effect on the assets of the Demerged Undertaking. Subject to the para above, if any creditor has any charge, security interest, lien, statutory lien or statutory charge on any of the assets or properties of Demerged Undertaking of Demerged Company, such creditor shall continue to enjoy and hold such charge, lien or security interest upon the properties of Demerged Undertaking in Resulting Company.
- 3.12 On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Demerged Undertaking, shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company.

4. CONSIDERATION

- 4.1 Upon this Scheme becoming effective and upon vesting of the Real Estate Undertaking of Demerged Company in the Resulting Company in terms of this Scheme, Resulting Company shall without any further application or deed, issue and allot equity shares, credited as fully paid-up to the extent indicated below, to the equity shareholders of Demerged Company, and whose names appear in the Register of Members of Demerged Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors-in title as may be recognized by the Board of Directors of the Resulting Company in the following manner:

“2.83 fully paid up Equity Shares of Rs. 2 each of Resulting Company shall be issued and allotted for every 1 Equity Shares of Rs. 10 each held in Demerged Company”.

- 4.2 Equity shares issued by Resulting Company pursuant to this Clause is hereinafter referred to as “New Equity Shares”.
- 4.3 Any fraction shares arising on issue of New Equity Shares as above will be ignored.
- 4.4 The New Equity Shares shall be issued and allotted in dematerialized form to the equity shareholders of Demerged Company. If the Resulting Company has received notice from



any member that New Equity Shares are to be issued in physical form or if any member has not provided any requisite details relating to his account with a depository participant or other confirmation as may be required or if the details furnished by any member do not permit electronic credit of New Equity Shares, then the Resulting Company shall issue New Equity Shares in physical form to such member or members.

- 4.5 The New Equity Shares to be issued and allotted as above shall be subject to the Memorandum and Articles of Association of Resulting Company and shall rank pari passu with the existing equity shares of Resulting Company in all respects including dividends.
- 4.6 The Board of Directors of the Resulting Company shall, if and to the extent required, apply and obtain any approvals from concerned Government / Regulatory authorities for the issue and allotment of New Equity Shares pursuant to Clause 4.1 of the Scheme.
- 4.7 Resulting Company Equity Shares to be issued and allotted to the equity shareholders of Demerged Company pursuant to Clause 4.1 of this Scheme will be listed and/or admitted to trading on the BSE, NSE and CSE, where the equity shares of Resulting Company are listed and/or admitted to trading. Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges.
- 4.8 In the event of there being any pending share transfers with respect to the application lodged for transfer by any shareholder of Demerged Company, the Board of Directors or any committee thereof of Demerged Company if in existence, or failing which the Board of Directors or any committee thereof of Resulting Company shall be empowered in appropriate case, even subsequent to the Record Date to effectuate such a transfer in Demerged Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or the transferee of the share(s) in Demerged Company and in relation to the Demerged Company Equity Shares after the Scheme becomes effective.
- 4.9 New Equity Shares to be issued and allotted by Resulting Company to the equity shareholders of Demerged Company pursuant to Clause 4.1 of this Scheme, in respect of any equity shares in Demerged Company of dispute, by order of court or otherwise, be held in abeyance by the Resulting Company.
- 4.10 Approval of this Scheme by the equity shareholders of the Resulting Company shall be deemed to be due compliance of the provisions of Section 61 of the Act and the other relevant and applicable provisions of the Act for the issue and allotment of New Equity Shares by Resulting Company, as provided in this Scheme.
- 4.11 The approval of this Scheme by the equity shareholders of Resulting Company under Sections 230 to 232 of the Act shall be deemed to have the approval under Sections 13, 14, 62 and 188 and any other applicable provisions of the Act and any other consents and approvals required in this regard.



5. ACCOUNTING TREATMENT

Pursuant to the scheme coming into effect on the Effective Date and with effect from the 'Appointed Date, the Demerged Company and the Resulting Company shall account for the Demerger in their respective books of accounts in accordance with Accounting standards/IND AS as applicable on the Appointed Date in the following manner:

5.1 In the books of Demerged Company

- 5.1.1 Upon the scheme being effective, the respective book values of the assets and liabilities of the Demerged Undertaking shall be adjusted in the books of accounts of the Demerged Company in accordance with the Accounting Standards issued by the Central Government in terms of the Companies (Accounting Standards) Rules, 2006 and other normally accepted accounting principles/standard.
- 5.1.2 Upon the scheme being effective, the difference between the book value of assets and liabilities of the Demerged Undertaking, transferred pursuant to the Scheme shall be adjusted in the books of Demerged in accordance with the Accounting Standards issued by the Central Government in terms of Companies (Accounting Standards) Rules, 2006 and other normally accepted accounting principles/standard.

5.2 In the books of Resulting Company

- 5.2.1 Upon coming into effect of this Scheme, Resulting Company shall account for the scheme in accordance with "Pooling of Interest Method" laid down under Appendix C of Ind AS 103 (Business Combinations of entities under common control) and shall record the assets and liabilities, of the Real Estate Undertaking vested in it pursuant to this Scheme, at their respective carrying values of Demerged Company as on the Appointed Date.
- 5.2.2 Upon coming into effect of this Scheme, to the extent there are inter-corporate loans or balances between Real Estate Undertaking of the Demerged Company and the Resulting Company, the obligations in respect thereof shall stand cancelled. All intercompany transactions between Real Estate Undertaking of the Demerged Company and the Resulting Company shall be eliminated in the Resulting Company financial statements.
- 5.2.3 The Resulting Company shall credit to its Equity Share Capital account the aggregate face value of the New Equity Shares, issued and allotted by it to the shareholders of the Resulting Company pursuant to Clause 4.1 of this Scheme.
- 5.2.4 Consequent to the transfer and vesting of Real Estate Undertaking, as on Appointed Date, Resulting Company shall also effect reorganization of investment cost if any, in Demerged Company proportionate to value of Real Estate Undertaking vis-a-vis total value of Demerged Company in absolute figures based on the valuation carried out by an independent valuer for the purpose of demerger.
- 5.2.5 The difference, if any, between the carrying value of assets and liabilities under Clause 5.2.1 or any applicable Clause above transferred to Resulting Company (post giving effect to cancellation of inter company transactions and loans if any under Clause 5.2.2 above) and



the amount credited to Equity Share Capital account as per Clause 5.2.3 above and post adjusting the investment cost in Demerged Company if any, as per Clause 5.2.4 above shall be transferred to capital reserve account in the books of Resulting Company.

- 5.2.6 Upon coming into effect of this Scheme, the Resulting Company shall debit all expenses incurred in connection with this Scheme and matters incidental thereto, against the Profit and Loss Account.
- 5.2.7 In case of any difference in the accounting policy between Resulting Company and Real Estate Undertaking of Demerged Company, the impact of the same up to the Appointed Date will be quantified and adjusted in the capital reserves of Resulting Company to ensure that the financial statements of Resulting Company reflect the financial position on the basis of consistent accounting policy.
- 5.2.8 Comparative accounting period presented in the financial statements of Resulting Company shall be restated for the accounting impact of demerger, as stated above, as if the demerger had occurred from the beginning of the preceding period in the financial statements in accordance with Para 9(iii) of Appendix C 'Business Combination of entities under Common Control of and AS 103 for Business Combinations.'

6. TAXATION MATTERS

- 6.1 Upon the Scheme becoming effective and with effect from the Appointed Date, all the taxes, duties, cess, paid or payable by the Demerged Company (including under the Income-tax Act, 1961 or any other applicable laws) pertaining to the Real Estate Undertaking including but not limited to IGST, CGST, SGST, GST, advance taxes, tax deducted at source, withholding tax, credits, refunds, claims or interest thereon, if any, shall for all purpose, be treated as IGST, CGST, SGST, GST, advance taxes, tax deducted at source, withholding tax, credits, refunds, claims or interest of the Resulting Company.
- 6.2 Upon the Scheme becoming effective and with effect from the Appointed Date, the Resulting Company is expressly, permitted to revise and file returns pertaining to the Real Estate Undertaking belonging to Demerged Company, including but not limited to income tax returns, tax deduction at source return, IGST, CGST, SGST, GST returns and other tax returns filed with the governmental and other authorities.
- 6.3 All expenses incurred by the Demerged Company under Section 43B of the Income-tax Act, 1961, in relation and pertaining to the Real Estate Undertaking, shall be claimed as a deduction by the Resulting Company and the transfer of the Demerged Undertaking shall be considered as succession of business by the Resulting Company. Accordingly, it is further clarified that the Resulting Company shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Demerged Undertaking to the extent not claimed by the Demerged Company, as and when the same are paid subsequent to Appointed Date.
- 6.4 All the expenses incurred by the Demerged Company and the Resulting Company in relation to the Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Demerged Company and the Resulting Company in accordance with Section 35DD of the



Income-tax Act, 1961. Stamp duty will be payable by the Resulting Company only on the assets/properties remaining unsold by the Demerged Company relating to the Demerged Undertaking as on the date of payment of Stamp duty.

- 6.5 If the Demerged Company is entitled to any unutilized credits (including accumulated losses and unabsorbed depreciation), benefits under the state or central fiscal / investment incentive schemes and policies or concessions relating to the Demerged Undertaking under any Tax law or Applicable Law, the Resulting Company shall be entitled, as an integral part of the Scheme, to claim such benefit or incentives or unutilised credits as the case may be without any specific approval or permission. Without prejudice to the generality of the foregoing, in respect of unutilized input credits of goods and service tax of the Demerged Company, the portion which will be attributed to the Demerged Undertaking and be transferred to the Resulting Company shall be determined by the Board of the Demerged Company in accordance with the Applicable Law.
- 6.6 This Scheme complies with the definition of “demerger” as per Sections 2(19AA), 2(19AAA), 2(41A), 47, 72A and other provisions of the Income Tax Act. If any terms of this Scheme are found to be or interpreted to be inconsistent with provisions of the Income Tax Act, then this Scheme shall stand modified to be in compliance with Section 2(19AA) of the Income Tax Act.

7. PROFIT/ DIVIDEND/BONUS/RIGHT SHARES

- 7.1 Demerged Company shall not utilize profits or income, if any, of the Real Estate Undertaking for any purpose including declaring or paying any dividend in respect of the period falling on and after the Appointed Date. Demerged Company shall also not utilize profits, adjust or claim adjustment of the profits/loss as the case may be earned/incurred or suffered in respect of the Real Estate Undertaking after the Appointed Date.
- 7.2 Until the Effective Date, Demerged Company shall not issue or allot any further equity or preference shares either by way of rights issue or bonus issue or otherwise.

8. CONDUCT OF REAL ESTATE UNDERTAKING OF THE DEMERGED COMPANY TILL EFFECTIVE DATE

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

- 8.1 Demerged Company shall be deemed to have been carrying on and shall carry on its business and activities relating to the Real Estate Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to the Real Estate Undertaking for and on account of and in trust for Resulting Company. Demerged Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date.
- Demerged Company shall carry on its business and activities relating to the Real Estate Undertaking
- 8.2 Demerged Company shall carry on its business and activities relating to the Real Estate Undertaking with reasonable diligence, business prudence and shall not, except in the ordinary course of otherwise deal with or dispose of Real Estate Undertaking or part thereof.



- 8.3 All the profits or income accruing or arising to Demerged Company or expenditure or losses arising or incurred or suffered by Demerged Company pertaining to the Real Estate Undertaking shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of Resulting Company.
- 8.4 Demerged Company shall not vary the terms and conditions of employment of any of the employees of Real Estate Undertaking except in the ordinary course of business and without the prior consent of Resulting Company or pursuant to any pre-existing obligation undertaken by Demerged Company, as the case may be, prior to the Effective Date.
- 8.5 All loans raised and all liabilities and obligations incurred by the Demerged Company with respect to the Real Estate Undertaking after the Appointed Date and 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;
- 8.6 Demerged Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which Resulting Company may require pursuant to this Scheme.

9. EMPLOYEES

- 9.1 On the Scheme becoming operative, all staff and employees on the rolls of Demerged Company engaged in the Real Estate Undertaking and who are duly identified or specified as such by the Board of Directors as at the Effective Date shall be deemed to have become employees of Resulting Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with Resulting Company shall not be less favourable than those applicable to them with reference to their employment in Demerged Company.
- 9.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts, if any, created or existing for the benefit of the staff and employees of Real Estate Undertaking or all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of Demerged Company in relation to Real Estate Undertaking in relation to such Fund or Funds shall become those of Resulting Company. It is clarified that the services of the staff and employees of Real Estate Undertaking will be treated as having been continuous for the purpose of the said Fund or Funds.

10. LEGAL PROCEEDINGS

- 10.1 If any suit, appeal or other proceeding of whatever nature by or against Real Estate Undertaking is pending, the same shall not abate or be discontinued or in any way be



prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against Resulting Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Real Estate Undertaking as if this Scheme had not been made.

- 10.2 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against Real Estate Undertaking, Resulting Company shall be made party thereto and any payment and expenses made thereto shall be the liability of Resulting Company.

11. CONTRACTS. DEEDS, ETC.

- 11.1 Subject to the other provisions contained in this Scheme all contracts, deeds, bonds, agreement to sell, conveyance deeds, tenancy rights, lease contracts, incentives, benefits, exemptions, waiver, entitlements, arrangements and other instruments of whatsoever nature relating to the Demerged Undertaking to which Demerged Company, is a party subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of Resulting Company and may be enforced as fully and effectually as if instead of Demerged Company, Resulting Company had been a party thereto.

- 11.2 Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof relating to the Demerged Undertaking, if so required, under any law or otherwise, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which Demerged Company is a party or any writings as may be necessary to be executed in order to novate or give formal effect to the above provisions. Demerged Company will, if necessary, also be a party to the above as a confirming party with no obligation cast on or assumed upon Demerged Company. Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings and to carry out or perform all such formalities or compliance referred to above as may be deemed proper and necessary for effectuating the transfer and vesting of the Demerged Undertaking to Resulting Company.

12. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 3 or under applicable clauses above and the continuance of proceedings by or against Resulting Company under Clause 10 above shall not affect any transaction or proceedings already concluded by the Real Estate Undertaking on or after the Appointed Date till the Effective Date, to the end and intent that Resulting Company accept and adopts all acts, deeds and things done and executed by Real Estate Undertaking in respect thereto as done and executed on behalf of Resulting Company.



**PART III
GENERAL TERMS AND CONDITIONS**

13. APPLICATION TO THE COMPETENT AUTHORITY

The Demerged Company and Resulting Company shall make necessary applications before the NCLT, Kolkata Bench for the sanction of this Scheme of Arrangement for Demerger under Sections 230 to 232 read with Sections 52 and 66 of the Act. Any further approval under the Act arising from the Scheme shall be deemed to have been granted, without any application, for any transaction among the Demerged Company and the Resulting Company and/or its Directors.

14. MODIFICATIONS/AMENDMENTS TO THE SCHEME

The Demerged Company (through its Board of Directors) and the Resulting Company (through its Board of Directors) may, in their full and absolute discretion, assent to any alterations or modifications in this Scheme which the Competent Authority may deem fit to approve or impose and may give such directions as they may consider necessary to settle any questions or difficulty that may arise under the Scheme or in regard to its implementation or in any matter connected therewith (including any question by difficulty arising in connection with any deceased or insolvent shareholder of the respective Company). In the event that any conditions are imposed by the Competent Authority which the Demerged Company and/or the Resulting Company find unacceptable for any reason whatsoever then the Demerged Company and/or the Resulting Company shall be entitled to withdraw from the Scheme, Committee appointed by the Board of the Resulting Company are hereby authorized to give such directions and / or to take such steps as may be necessary or desirable including any directions for settling any Question or doubt or difficulty whatsoever that may arise.

15. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS:

The Scheme is conditional upon and subject to:

- 15.1 The requisite consents, no-objections and approvals of the Stock Exchanges and SEBI to the Scheme in terms of the SEBI Circular and/or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on terms acceptable to the Demerged Company and the Resulting Company;
- 15.2 The Scheme being agreed to by the respective requisite majorities of the members and creditors of the Demerged Company and the Resulting Company and the requisite order or orders being obtained;
- 15.3 The scheme is conditional upon scheme being approval by the PUBLIC shareholders through e-voting in terms of para 9 (a) of part I of Annexure I of SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and the scheme shall be acted upon only if vote cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.



- 15.4 The sanction of the Scheme by the Competent Authority under Sections 230 to 232 of the Act;
- 15.5 Any other sanction or approval of any governmental or regulatory authority in relation to transfer of licenses, leasehold rights, sanction of plan, permission etc., as may be considered necessary and appropriate by the respective Board of Directors of the Demerged Company and the Resulting Company, being obtained and granted in respect of any of the matters for which such sanction or approval is required.

16. EFFECTIVE DATE OF THE SCHEME:

This Scheme shall become effective when all the following conditions are fulfilled:

- 16.1 The Scheme being approved by the requisite majority of the shareholders and creditors of the Demerged Company and the Resulting Company as may be required under the Act and/or the orders of the Competent Authority.
- 16.2 The Scheme is sanctioned by the said Competent Authority under Section 230 to 232 of the Act.
- 16.3 The certified copy of the order of the said Competent Authority sanctioning the Scheme is filed with the Registrar of Companies, West Bengal at Kolkata.

17. OPERATIVE DATE OF THE SCHEME;

The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date.

18. EXPENSES CONNECTED WITH THE SCHEME;

- 18.1 Save and except as provided elsewhere in the Scheme, all costs, charges taxes, levies and other expenses including registration fee of any deed, in relation to or in connection with negotiations leading up to the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of the Scheme shall be borne and paid by the Resulting Company.
- 18.2 In the event that this Scheme fails to take effect within such period or periods as may be decided by the Demerged Company (through its Board of Directors) and the Resulting Company (through its Board of Directors) then, the Demerged Company and Resulting Company shall bear their own costs and expenses incurred by them, in relation to or in connection with the Scheme.

19. GENERAL TERMS AND CONDITIONS;

- 19.1 The Demerged Company and the Resulting Company shall, with all reasonable dispatch, make all applications / petitions under Sections 230 to 232 and other applicable provisions of



the Act to the Competent Authority for the sanctioning of the Scheme and obtain all approvals and consents as may be required under law or any agreement.

- 19.2 The respective Board of Directors of the Demerged Company and the Resulting Company may empower any Committee of Directors or Officers) or any individual director, officer or other person to discharge all or any of the powers and functions, which the said Board of Directors are entitled to exercise and perform under the Scheme.
- 19.3 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Demerged Company and the Resulting Company and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.
- 19.4 If any part of this Scheme is invalid, ruled illegal by any court(s) or authority of competent jurisdiction or unenforceable under the present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part.



Schedule I
(Demerged Undertaking - Real Estate Business as on 1st April, 2019)

Particulars	Amount (₹)
<u>EQUITY AND LIABILITIES</u>	
Current Liabilities	
Other Current Liabilities	1,12,09,82,382
Short - Term Provisions	28,82,370
TOTAL	1,12,38,64,752
<u>ASSETS</u>	
Current Assets	
Inventories	79,70,26,396
Short - Term Loans and Advances	32,68,38,356
TOTAL	1,12,38,64,752

