

**COMPOSITE SCHEME OF ARRANGEMENT IN THE NATURE OF MERGER AND
DEMERGER**

**UNDER SECTIONS 391 TO 394 READ WITH SECTIONS 78, 100 TO 103 OF THE
COMPANIES ACT, 1956 OR UNDER SECTION 230 TO 234 READ WITH
SECTION 52 and 66 OF THE COMPANIES ACT, 2013**

BETWEEN

ANANT RAJ AGENCIES PRIVATE LIMITED

AND

TAURAS PROMOTERS & DEVELOPERS PRIVATE LIMITED

AND

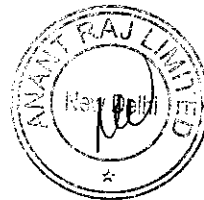
ANANT RAJ LIMITED

AND

ANANT RAJ GLOBAL LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS



INTRODUCTION

Anant Raj Agencies Private Limited is a private limited Company incorporated under the Companies Act, 1956 having its registered office at Plot No. CP-1, Sector-8, IMT Manesar, Gurgaon, Haryana-122051, India (herein after referred to as “ARAPL” or “Demerged Company 1” for the Chapter 2 or “ARAPL” or “Amalgamating Company” for the Chapter 3). ARAPL is engaged in the business of providing construction and engineering services.

Taurus Promoters & Developers Private Limited is a private limited Company incorporated under the Companies Act, 1956 having its registered office at Plot No CP-1, Sector -8, IMT, Manesar, Gurgaon, Haryana-122051, India (herein after referred to as “TPDPL” or “Resulting Company 1” for the Chapter 2). TPDPL is engaged in the business of real estate development.

Anant Raj Limited is a public limited Company incorporated under the Companies Act, 1956, having its registered office at Plot No. CP-1, Sector-8, IMT Manesar, Gurgaon, Haryana-122051 India (herein after referred to as “ARL” or “Amalgamated Company” for the Chapter 3 or “ARL” or “Demerged Company 2” for the Chapter 4). ARL, being the real estate developer, is engaged in the business of construction and development of residential projects, township projects, commercial projects, SEZ, IT Park, Malls, etc. The equity shares of ARL are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

Anant Raj Global Limited is a public limited Company incorporated under the Companies Act, 2013 having its registered office at Plot No CP-1, Sector -8, IMT, Manesar, Gurgaon, Haryana-122051, India (herein after refer to as “ARGL” or “Resulting Company 2” for the Chapter 4). ARGL is incorporated with the object to carry on the business of construction and development of residential projects, township projects, commercial projects, SEZ, IT Park, Malls, etc. The equity shares of



ARGL will be listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) after the proposed demerger.

This Scheme provides for:

- I. The demerger of Real Estate Division (as defined below) of the Demerged Company 1 and the vesting thereof in the Resulting Company 1.
- II. The amalgamation of the Amalgamating Company with and into Amalgamated Company.
- III. The demerger of Project Division (as defined below) of the Demerged Company 2 and the vesting thereof in the Resulting Company 2

in accordance with the terms of the Scheme and pursuant to the provision of section 391 to 394 of the Act and other relevant provisions of the Act.

OPERATION OF THE SCHEME

This is a Composite Scheme of Arrangement in the nature of Merger and Demerger. This Scheme is prepared in terms of the provisions of Sections 391 to 394 read with Sections 78, 100 to 103 and other applicable provisions of the Companies Act, 1956 or Sections 230 to 234 read with Section 52 and 66 the Companies Act, 2013 (as and when notified) and is divided into separate Chapters, which will be operationalized under the scheme of arrangement sequentially as described as under:

- I. Demerger of Real Estate Division (as defined below) of ARAPL and the vesting thereof in TPDPL in accordance with the terms of the Scheme and pursuant to the provision of section 391 to 394 of the Act and other relevant provisions of the Act and in exchange of which, the equity shares will be issued by TPDPL to the equity shareholders of ARAPL.

- II. Amalgamation of ARAPL with and into in ARL in accordance with the terms of the Scheme and pursuant to the provision of section 391 to 394 of the Act and other relevant provisions of the Act and in exchange of which the equity shares will be issued by ARL to the equity shareholders of ARAPL. All the Equity shares of TPDPL, being held by ARAPL, will be cancelled off.
- III. Demerger of Project Division (as defined below) of ARL and the vesting thereof in ARGL in accordance with the terms of the Scheme and pursuant to the provision of section 391 to 394 of the Act and other relevant provisions of the Act and in exchange of which, equity shares will be issued by ARGL to the equity shareholders of ARL.

DEMERGERS UNDER THE SCHEME:

This Scheme of Arrangement (hereinafter referred to as the "Scheme") provides for the transfer by way of demerger of the Real Estate Division and Project Division (as defined hereinafter) of the Demerged Company 1 and Demerged Company 2 respectively to the Resulting Company 1 and Resulting Company 2 respectively, and the consequent issue of equity shares by the Resulting Company 1 and Resulting Company 2 to the shareholders of the Demerged Company 1 and Demerged Company 2 respectively pursuant to Sections 391 to 394 and other relevant provisions of the Act (as defined hereinafter) in the manner provided for in the Scheme. This Scheme has been drawn up to comply with the conditions as specified under Section 2 (19AA) of the Income-tax Act, 1961 such that:

- (i) all the assets and properties of the Real Estate Division and Project Division (as defined hereinafter) being transferred by the Demerged Company 1 and Demerged Company 2 respectively immediately before the demerger become the properties of the Resulting Company 1 and Resulting Company 2 respectively by virtue of the demerger;

- (ii) all the liabilities relating to the Real Estate Division and Project Division being transferred by the Demerged Company 1 and Demerged Company 2 respectively, immediately before the demerger become the liabilities of the Resulting Company 1 and Resulting Company 2 respectively by virtue of the demerger;
- (iii) the properties and the liabilities, if any, relating to the Real Estate Division and Project Division being transferred by the Demerged Company 1 and Demerged Company 2 are transferred to the Resulting Company 1 and Resulting Company 2 respectively at the values appearing in the books of account of the Demerged Company 1 and the Demerged Company 2 immediately before the demerger;
- (iv) the Resulting Company 1 and Resulting Company 2 issue shares to the shareholders of the Demerged Company 1 and Demerged Company 2 respectively in consideration of the demerger on a proportionate basis;
- (v) all shareholders of the Demerged Company 1 and Demerged Company 2 shall become the shareholders of the Resulting Company 1 and Resulting Company 2 respectively by virtue of the demerger; and
- (vi) the transfer of the Real Estate Division and Project Division will be on a going concern basis.

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CHAPTERS OF THE SCHEME

This Scheme is divided into the following chapters:

- (a) **Chapter 1:** Chapter 1 contains the definitions and interpretation which are common to and shall be applicable on all Chapters of the Scheme.
- (b) **Chapter 2:** Chapter 2 of the Scheme provides for specific provisions governing demerger of Real Estate Division (as defined below) of ARAPL and vesting of Real Estate Division with and into TPDPL;
- (c) **Chapter 3:** Chapter 3 of the Scheme provides for specific provisions governing amalgamation of ARAPL with and into ARL;
- (d) **Chapter 4:** Chapter 4 of the Scheme provides for specific provisions governing demerger of Project Division (as defined below) of ARL with and into ARGL;
- (e) **Chapter 5:** Chapter 5 of the Scheme provides for other terms and conditions applicable on all Chapters of the Scheme.

CHAPTER: 1

GENERAL DEFINITIONS AND INTERPRETATION

1. DEFINITIONS

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

- 1.1. "Act" or "The Act" means the Companies Act, 2013 (to the extent of the sections thereof that have been brought into force) and

the Companies Act, 1956 (to the extent of the sections thereof that have not been repealed);

- 1.2. **"Appointed Date"** shall have the meaning ascribed to the term under the respective Chapter of Scheme;
- 1.3. **"Applicable Law(s)"** means (a) all the applicable statutes, notification, enactments, act of legislature, listing agreement, bye-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or other instructions having force of law enacted or issued by any Appropriate Authority including any statutory modifications or re-enactment thereof for the time being in force (b) administrative interpretations , writs, injunctions, directions, directives, judgments, arbitral awards, decree, orders, or governmental approvals of, or agreement with , any relevant authority, as may be in force from time to time;
- 1.4. **"Board"** or **"Board of Directors"** means the respective Board of Directors of ARL, ARGL, ARAPL and TPDPL and shall include a committee of such board duly constituted and authorized;
- 1.5. **"Business Day"** means any day, other than a Saturday and Sunday, on which banks are generally open for business in Haryana, India;
- 1.6. **"Court"** or **"High Court"** means the Hon'ble High Court of Judicature of Punjab and Haryana at Chandigarh having jurisdiction in relation to ARAPL, TPDPL, ARGL and ARL and shall include the National Company Law Tribunal (NCLT), as may be applicable at the relevant time or such other forum or authority as may be vested with any of the powers of a High Court in relation to the Scheme under the Act.
- 1.7. **"Companies"** the term collectively refers to ARAPL, TPDPL, ARL and ARGL, as the case may be.

- 1.8. **"Demerged Company1"** or **"Amalgamating Company"** means Anant Raj Agencies Private Limited, (ARAPL), a private limited Company incorporated under the Companies Act, 1956 and having its registered office at Plot No CP-1, Sector -8, IMT, Manesar, Gurgaon, Haryana-122051, India;
- 1.9. **"Demerged Company 2"** or **"Amalgamated Company"** means Anant Raj Limited, (ARL), a public limited Company incorporated under the Companies Act, 1956 and having its registered office at Plot No. CP-1, Sector-8, IMT Manesar, Gurgaon, Haryana-122051 India;
- 1.10. **"Resulting Company 1"** means Taurus Promoters & Developers Private Limited, (TPDPL), a private limited Company incorporated under the Companies Act, 1956 and having its registered office at Plot No CP-1, Sector -8, IMT, Manesar, Gurgaon, Haryana-122051, India;
- 1.11. **"Resulting Company 2"** means Anant Raj Global Limited (ARGL), a Public limited Company incorporated under the Companies Act, 2013 and having its registered office at Plot No CP-1, Sector -8, IMT, Manesar, Gurgaon, Haryana-122051, India;
- 1.12. **"Effective Date"** means the day on which the last of the sanctions, and permissions specified in the scheme shall have been obtained and a certified copy of the order of the Hon'ble High Court Punjab and Haryana at Chandigarh made under section 391 and/or 394 of the Companies Act, 1956, have filed with the Registrar of Companies, of State of Haryana at New Delhi.

Reference in the Scheme to the date of **"Coming into effect of this Scheme"** or **"Upon the Scheme being effective"** shall mean the effective date.

- 1.13. **“Record Date”** means the date to be fixed by the Board of Directors of the Companies for the purpose of determining the members of the Companies to whom shares will be issued and allotted pursuant to the Scheme and for the purpose of reduction of balance of securities premium of ARL as provided in the present scheme.
- 1.14. **“Remaining Business 1”** means all the remaining businesses and/or divisions/undertakings of the Demerged Company 1 other than the Real Estate Division;
- 1.15. **“Remaining Business 2”** means all the remaining businesses and/or divisions/undertakings of the Demerged Company 2 other than the Project Division;
- 1.16. **“Scheme”, “the Scheme” and “this Scheme”**, means the present Composite Scheme of Arrangement in its present form or with any modifications or amendments approved, imposed or directed by the Hon’ble High Court of Punjab and Haryana, Stock Exchanges and/or SEBI,.
- 1.17. **“Real Estate Division”** means all the undertakings, properties and liabilities, of whatsoever nature and kind and wheresoever situated, of the Demerged Company 1 pertaining to its Real Estate Division as ascribed in Schedule I, on a going concern basis, which shall mean and include, without limitation consisting of the following :
- (i) All immovable properties i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) in relation to the Real Estate Division and all documents (including panchnamas, declarations, receipts) of title, rights

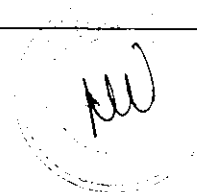
and easements including any right under the decree, order, verdict, pronouncement of any court in the India in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;

- (ii) all assets, as are movable in nature pertaining to the real estate division, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, furniture, fixtures, office equipments, communication facilities, installations, vehicles), actionable claims, earnest monies and sundry debtors, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other persons, the benefits of any bank guarantees, performance guarantees and tax related assets, including but not limited to service tax input credits, CENVAT credits, value added/sales tax/entry tax credits or set-offs and tax refunds;
- (iii) all the investments, being the investments in subsidiaries Companies, joint venture Companies, associate Companies, Partnership firms or investments of any other nature, that pertain to the Real Estate Division of the Demerged Company 1.
- (iv) all permits, licences, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates,

awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, liberties and advantages (including those granted/issued/given by any governmental, statutory or regulatory or local or administrative bodies for the purpose of carrying on the business of Real Estate Division or in connection therewith) including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the Real Estate Division;

- (v) all contracts, agreements, service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Real Estate Division;

- (vi) all applications (including hardware, software, licences, source codes, para-meterisation and scripts), registrations, goodwill, licenses, trade names, trademarks, service marks, copy rights, patents, domain names, designs, trade secrets, research and



studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the Real Estate Division;

(vii) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Demerged Company 1 pertaining to the Real Estate Division or in connection with or relating to the Demerged Company 1 in respect of the Real Estate Division and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company 1 and pertaining to the Real Estate Division;

(viii) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier

pricing information, and all other books and records, whether in physical or electronic form that pertain to the Real Estate Division;

- (ix) all debts (whether secured or unsecured), borrowings including loans and borrowings from banks/financial institutions (to the extent of the said loans/borrowings that may be allocated/demarcated by the concerned banks/financial institutions to be transferred to the Resulting Company 1), obligations, duties and liabilities including contingent liabilities of the Demerged Company 1 pertaining to and/or arising out of and/or relating to the real estate division;
- (x) all employees of the Demerged Company 1 employed/engaged in the real estate division as on the Effective Date; and
- (xi) all legal or other proceedings of whatsoever nature that pertain to the real estate division of the Demerged Company 1.

Explanation:

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the Real Estate Division of the Demerged Company 1 or whether it arises out of the activities or operations of the real estate division of the Demerged Company 1, the same shall be decided by mutual agreement between Board of Directors of the Demerged Company 1 and the Resulting Company 1.

1.18. "Project Division" means all the undertakings, movable and immovable properties and liabilities, of whatsoever nature and kind and wheresoever situated as ascribed in Schedule II, of the Demerged Company 2 pertaining to its (1) Hospitality Projects comprising Hotel Retreat located at New Delhi, Hotel Green Retreat at New Delhi,, Motel at Shimla, Himachal Pradesh, Hotel Tricolor at Samlakha, New Delhi (2) Commercial Projects comprising Kirti Nagar Mall, located at New Delhi, Commercial in Sector 63 A village Maidawas, Gurgaon, Haryana, Institute Building at Shahoorpur New Delhi, Faiz Road, New Delhi, Knowledge Park at Greater Noida, Uttar Pradesh, (3) Residential Projects comprising HausKhas, Kapashera Project located at New Delhi, Maceo Project located at Gurgaon, Haryana, Madelia Project located at Gurgaon, Haryana (4) Other Projects comprising Projects located at (i) Jindpur, New Delhi (ii) Dhamaspur, Gurgaon, Haryana (iii) BabraBakipur and Banslambi, Gurgaon, Haryana (iv) B7, Bhatti Mines, Maherauli, New Delhi (v) Budhpur, Bijapur, New Delhi (vi) Kadi, Mehsana, Gujarat (vii) Greater Noida, Uttar Pradesh (viii) UdyogVihar, Gurgaon, Haryana (ix) Dhana&Kasan, Gurgaon, Haryana (x) Alipur, New Delhi (xi) Asola, New Delhi (xii) Khalipur&Mindkola, Haryan (xiii) Punjab Khore, New Delhi (xiv) IT Park, Noida, Uttar Pradesh (xv) SEZ at Manesar, Haryana (xvi) Fazalwas, ChandlaDungarwas, Gurgaon, Haryana (xvii) Khazana, Gurgaon, New Delhi (xviii) Skipper Farms in Samalkha New Delhi (xix) HBP Farm in Rajokri New Delhi (xx) Bhupania, Haryana (xxi) TikriKhurd, New Delhi (xxii) Rishikesh, Uttrakhand (xxiii) Begampur, Gurgaon, Haryana (5) all the movable and immovable properties, vehicles, investments, employees and other assets related to the projects described in point (1) to (4) above; Without prejudice and

limitation to the generality of the above, the Project Division, shall mean and include:

- (i) All immovable properties i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) in relation to the Project Division and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
- (ii) all assets, as are movable in nature pertaining to the Project Division, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, furniture, fixtures, office equipments, communication facilities, installations, vehicles), actionable claims, earnest monies and sundry debtors, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other persons, the benefits of any bank guarantees, performance guarantees;
- (iii) all the investments, being the investments in subsidiaries Companies, joint venture Companies, associate Companies, Partnership firms or investments of any other nature, that pertain to the Project Division of the Demerged Company 2.

- (iv) all permits, licenses, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, liberties and advantages (including those granted/issued/given by any governmental, statutory or regulatory or local or administrative bodies for the purpose of carrying on the business of Project Division or in connection therewith) including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the Project Division;
- (v) all contracts, agreements, service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits there under pertaining to the Project Division;
- (vi) all applications (including hardware, software, licenses, source codes, para-meterisation and scripts), registrations, goodwill,

licenses, trade names, trademarks, service marks, copy rights, patents, domain names, designs, trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the Project Division;

- (vii) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Demerged Company 2 pertaining to the Project Division or in connection with or relating to the Demerged Company 2 in respect of the Project Division and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company 2 and pertaining to the Project Division;

- (viii) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer

information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Project Division;

(ix) all debts (whether secured or unsecured), borrowings including loans and borrowings from banks/financial institutions (to the extent of the said loans/borrowings that may be allocated/demarcated by the concerned banks/financial institutions to be transferred to the Resulting Company 2), obligations, duties and liabilities including contingent liabilities of the Demerged Company 2 pertaining to and/or arising out of and/or relatable to the Project Division;

(x) all legal or other proceedings of whatsoever nature that pertain to the Project Division of the Demerged Company 2.

Explanation:

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the Project Division of the Demerged Company 2 or whether it arises out of the activities or operations of the Project Division of the Demerged Company 2, the same shall be decided by mutual agreement between Board of Directors of the Demerged Company 2 and the Resulting Company 2.

1.19. "Stock Exchanges" shall mean BSE Limited and the National Stock Exchange of India Limited, where equity shares of ARL are currently listed.

2. INTERPRETATION

Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, The Income-tax Act, 1961, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Competition Act, 2002, the Securities and Exchange Board of India Act, 1992, Code of Civil Procedure, 1908 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory amendment, modifications or re-enactment thereof, from time to time. In particular, whenever reference is made to the courts in the scheme, the reference if the context so permits, would include, if appropriate, reference to the National Company Law Tribunal or such other forum or authority, as the case may be vested with any of the powers of the Courts under Sections 391 to 394 of the Companies Act, 1956 and corresponding provisions of the Companies Act, 2013, if applicable and/or rules made there under.

Unless otherwise expressly provided the provisions and clauses of chapter 1 shall be applicable on the entire scheme.

CHAPTER 2

DEMERGER OF REAL ESTATE DIVISION OF ARAPL AND VESTING OF REAL ESTATE DIVISION WITH AND INTO TPDPL

PART I

RATIONALE, DEFINITIONS AND CAPITAL STRUCTURE

1. RATIONALE

The Management of ARAPL is of the view that demerger of the Real Estate Division from ARAPL and subsequent merger of ARAPL into ARL through Chapter 3 of the Scheme, inter alia, would lead to following benefits:

- i. To eliminate a layer of promoter investment Company
- ii. To streamline promoter holding structure of ARL

2. DEFINITIONS :

In this Chapter 2 of the Scheme, pertaining to demerger of the Real Estate Division of ARAPL with and into TPDPL, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

2.1. "Appointed Date" shall for the purpose of this Chapter, mean 1st April, 2016 being the date and time with effect from which the Real Estate Division of ARAPL shall be demerged and vested with and into TPDPL in terms of this Chapter and other relevant provisions of this Scheme, upon sanction of the Scheme by the Courts and the Chapter coming into effect.

2.2. Date of Effectiveness of this Chapter 2

This Chapter 2 shall come into effect on the last of the date on which the certified copy of the order of the Hon'ble High Court of Punjab and Haryana at Chandigarh or any other appropriate authority sanctioning the Scheme is filed with the relevant Registrar of Companies for the state of Haryana at New Delhi.

3. Capital Structure :

The authorized, issued, subscribed and paid-up share capital of ARAPL and TPDPL are as under:

3.1 The Share Capital of the Demerged Company 1 (ARAPL) as per the Audited Financial Statement dated March 31, 2016 is as under:

Authorized Share Capital	Amount (INR)
3,00,000 Equity Shares of Rs. 100/- each	3,00,00,000/-
50,000 8% Non-cumulative Preference Shares of Rs. 100/- each	50,00,000/-
Total	3,50,00,000/-
Issued, Subscribed and Paid up Share Capital	
1,80,635 Equity Shares of Rs. 100/- each	1,80,63,500/-
Total	1,80,63,500/-

The authorized, issued, subscribed and paid-up share capital of Demerged Company 1 (ARAPL) is the same as above as on the date of Board meeting sanctioning the Scheme.

- 3.2 The Share Capital of the Resulting Company 1 (TPDPL) as per the Audited Financial Statement dated March 31, 2016 is as under:

Authorized Share Capital	Amount (INR)
50,000 Equity Shares of Rs. 10/- each	5,00,000/-
Total	5,00,000/-
Issued, Subscribed and Paid up Share Capital	
10,000 Equity Shares of Rs. 10/- each	1,00,000/-
Total	1,00,000/-

The authorized, issued, subscribed and paid-up share capital of Resulting Company 1 (TPDPL) is the same as above as on the date of Board meeting sanctioning the Scheme. However, TPDPL has become a wholly owned subsidiary of ARAPL post the balance sheet date.

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PART II
DEMERGER AND VESTING OF REAL ESTATE DIVISION

4. Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the Real Estate Division shall, without any further act, instrument, deed, matter or thing, be demerged from the Demerged Company 1 and transferred to and vested with and into the Resulting Company 1 on a going concern basis, in the manner described hereunder:

4.1 In respect of such of the assets of the Real Estate Division as are movable in nature including any rights under decree or order of any court in India in relation to that assets and/or otherwise capable of transfer by manual or constructive delivery and/or by endorsement and delivery, the same shall stand transferred by the Demerged Company 1 upon coming into effect of this Scheme pursuant to the provisions of section 394 of the Act without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property and integral part of the Resulting Company 1 as an integral part of the Real Estate Division.

4.2 In respect of assets other than those dealt with in clause 4.1 above, including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc. the same shall stand transferred to and vested in the Resulting Company 1 without any notice or other intimation to any person in pursuance of the provisions of sections 391 to 394 read with other relevant provisions of the Act to the end

and intent that the right of the Demerged Company 1 to recover or realize the same stands transferred to the Resulting Company 1. The Resulting Company 1 shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Resulting Company 1 and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.

- 4.3 Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Demerged Company 1 in any leasehold/leave and license/right of way properties of the Demerged Company 1 in relation to the Real Estate Division, shall, pursuant to section 394(2) of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to or vested in the Resulting Company 1 on the same terms and conditions.
- 4.4 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 permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, issued to or granted to or executed in favor of the Demerged Company 1, and the rights and benefits under the same, in so far as they relate to the Real Estate Division and all quality certifications and approvals, trademarks, trade names, service marks, copy rights, domain names, designs, trade secrets, research and studies, technical knowhow and other intellectual properties and all other interests relating to the goods or

services being dealt with by the Real Estate Division, shall be transferred to and vested in the Resulting Company 1 and the concerned licensors and grantors of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with law, the Resulting Company1 on such approvals, clearances, permissions so as to empower and facilitate the approval and vesting of the Real Estate Division of the Demerged Company 1 in the Resulting Company 1 and continuation of operations pertaining to the Real Estate Division of the Demerged Company 1 in the Resulting Company1 without hindrance and that such approvals, clearances and permissions shall remain in full force and effect in favour of or against the Resulting Company 1, as the case may be, and may be enforced as fully and effectually as if, instead of the Demerged Company 1, the Resulting Company 1 had been a party or beneficiary or obligee thereto.

4.5 In so far as various incentives, exemptions, service tax benefits, income tax holiday/benefit/losses and other benefits or exemptions or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Demerged Company 1 are concerned, the same shall, without any further act or deed, in so far as they relate to the Real Estate Division, vest with and be available to the Resulting Company1 on the same terms and conditions.

4.6 All assets, estate, rights, title, interest and authorities acquired by the Demerged Company 1 after the Appointed Date and prior to the Effective Date for operation of the Real Estate Division shall also stand transferred to and vested in the Resulting Company 1 upon coming into effect of this Scheme.

- 4.7 Upon the coming into effect of this Scheme, all debts (whether secured or unsecured), borrowings including loans and borrowings from banks and/or financial institutions (to the extent of the said loans/borrowings that may be allocated/demarcated by the concerned banks and/or financial institutions to be transferred to the Resulting Company 1), obligations, duties and liabilities (including contingent liabilities) of the Demerged Company 1 relating to the Real Estate Division shall without any further act, instrument or deed be and stand transferred to the Resulting Company1 and shall thereupon become the debts, borrowings, obligations, duties and liabilities of the Resulting Company1 which it undertakes to meet, discharge and satisfy to the exclusion of the Demerged Company 1 and to keep the Demerged Company 1 indemnified at all times from and against all such debts, duties, obligations and liabilities and from and against all actions, demands and proceedings in respect thereto. 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, obligations, duties and liabilities have arisen in order to give effect to the provisions of this clause.
- 4.8 Where any of the liabilities and obligations of the Demerged Company 1 as on the Appointed Date deemed to be transferred to the Resulting Company 1, have been discharged by the Demerged Company 1 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company 1 and all liabilities and obligations incurred by the Demerged Company 1 for the operations of the Real Estate Division after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the Resulting Company1 and to the extent of their outstanding on the

Effective Date, shall also without any further act or deed be and stand transferred to the Resulting Company¹ and shall become the liabilities and obligations of the Resulting Company 1 which shall meet, discharge and satisfy the same.

- 4.9 Any claims, liabilities or demands arising on account of the Real Estate Division which relates to the period prior to the Appointed Date but arises at any time after the Effective Date shall be entirely borne by the Resulting Company 1. In the event that such liability is incurred by or such claim or demand is made upon the Demerged Company 1, then the Resulting Company¹ shall indemnify the Demerged Company 1 for any payments made in relation to the same.
- 4.10 In so far as the assets of the Real Estate Division are concerned, the security, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of the Remaining Business 1 of the Demerged Company 1, shall, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as security in relation to those liabilities of the Demerged Company 1 which are not transferred to the Resulting Company 1.
- 4.11 In so far as the assets of the Remaining Business 1 of the Demerged Company 1 are concerned, the security/existing charges and mortgages over such assets, to the extent they relate to any loans or borrowings of the Real Estate Division (as that may be allocated/demarcated by the concerned banks and/or financial institutions to be transferred to the Resulting Company 1) shall, without any further act, instrument or deed be released and

discharged from such security. The absence of any formal amendment which may be required by a bank and/or financial institution in order to affect such release shall not affect the operation of this clause.

- 4.12 In so far as the existing security in respect of the loans of the Demerged Company 1 and other liabilities relating to the Remaining Business 1 of the Demerged Company 1 are concerned, such security shall, without any further act, instrument or deed be continued with the Demerged Company 1 only on the assets remaining with the Demerged Company 1.
- 4.13 Without any prejudice to the provisions of the foregoing clauses, the Demerged Company 1 and the Resulting Company 1 shall enter into and execute such other deeds, instruments, documents and/or writings and/or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, NCR at Delhi to give formal effect to the provisions of this clause and foregoing clauses, if required.
- 4.14 Upon the coming into effect of this Scheme, the Resulting Company 1 alone shall be liable to perform all obligations in respect of the liabilities being transferred under this Scheme and the Demerged Company 1 shall not have any obligations in respect of the same.
- 4.15 Upon the coming into effect of this Scheme, the Demerged Company 1 alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to the Remaining Business 1 and the Resulting Company 1 shall not have any obligations in respect of the Remaining Business 1.

- 4.16 Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of the foregoing clauses 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.
- 4.17 Upon the Chapter 2 being effective, the Resulting Company 1 and the Demerged Company 1 are expressly permitted to reopen and revise its financial accounts, income tax returns, withholding tax returns, service tax returns, value added tax returns, sales tax returns, excise and CENVAT returns, and any other statutory returns and filings under the laws for Financial year 2016-17 or any other year for this purpose, notwithstanding that the period of filing/revising such return may have lapsed.

PART III

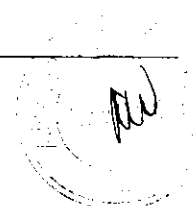
5. BUSINESS AND PROPERTY IN TRUST AND CONDUCT OF THE REAL ESTATE DIVISION FOR THE RESULTING COMPANY 1

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

- 5.1 The Demerged Company 1 shall be carrying on and be deemed to have been carrying on all business and activities relating to the Real Estate Division and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all assets, rights, title, interest, authorities, contracts, investments and strategic decisions of

the Real Estate Division for and on account of, and in trust for the Resulting Company 1;

- 5.2 all income or profits accruing or arising to the Demerged Company 1, or all costs, charges, expenses or losses arising or incurred by it (including the effect of taxes, if any, thereon), relating to the Real Estate Division shall, for all purposes, be treated as profits, income, costs, charges, expenses, taxes or losses, as the case may be, of the Resulting Company 1;
- 5.3 the Demerged Company 1 undertakes that it will preserve and carry on the business of the Real Estate Division with diligence and utmost business prudence and agrees that it will not, without prior written consent of the Resulting Company 1, alienate, charge, mortgage or encumber or otherwise deal with or dispose of the Real Estate Division or any part thereof or recruit new employees (in each case except in the ordinary course of business) or conclude settlements with union or employees without the concurrence of the Resulting Company 1 or undertake substantial expansion or change the general character or nature of the business of the Real Estate Division; and
- 5.4 the Demerged Company 1 and/or the Resulting Company 1 shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government(s), regulatory/local/administrative bodies and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Resulting Company 1 may require to carry on the business of the Real Estate Division.

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6. LEGAL PROCEEDINGS

- 6.1 Upon the coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company 1, under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the Real Estate Division shall be continued and enforced by or against the Resulting Company 1 after the Effective Date. In the event that the legal proceedings referred to herein require the Demerged Company 1 and the Resulting Company 1 to be jointly treated as parties thereto, the Resulting Company 1 shall be added as a party to such proceedings and shall prosecute and defend such proceedings in co-operation with the Demerged Company 1. In the event of any difference or difficulty in determining as to whether any specific legal or other proceedings relate to the Real Estate Division or not, a decision jointly taken by the Board of Directors of the Demerged Company 1 and the Resulting Company 1 in this regard, shall be conclusive evidence of the matter.
- 6.2 If proceedings are taken against the Demerged Company 1 in respect of the matters referred to in clause 6.1 above, it shall defend the same in accordance with the advice of the Resulting Company 1 and at the cost of the Resulting Company 1, and the latter shall reimburse and indemnify the Demerged Company 1 against all the liabilities and obligations incurred by the Demerged Company 1 in respect thereof.
- 6.3 The Resulting Company 1 undertakes to have all legal and other proceedings initiated by or against the Demerged Company 1 in respect of the matters referred to in clause 6.1 above transferred into its name and to have the same continued, prosecuted and enforced

by or against the Resulting Company¹ to the exclusion of the Demerged Company 1.

7. CONTRACTS, DEEDS, ETC.

7.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Real Estate Division to which the Demerged Company 1 is a party or to the benefit of which the Demerged Company 1 may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect by or against or in favour of the Resulting Company 1, as the case may be, and may be enforced as fully and effectually as if, instead of the Demerged Company 1, the Resulting Company¹ had been a party or beneficiary or obligee thereto.

7.2 Notwithstanding the fact that vesting of the Real Estate Division occurs by virtue of the Scheme itself, the Resulting Company 1 may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required, under any law or otherwise, execute 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 1 is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Demerged Company 1 will, if necessary, also be a party to the above. The Resulting Company¹ shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of

the Demerged Company 1 and to carry out or perform all such formalities or compliance referred to above on the part of the Demerged Company 1 to be carried out or performed.

8. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets, liabilities and obligations of the Real Estate Division under clause 4 hereof and the continuance of the proceedings by or against the Resulting Company1 under clause 6 hereof shall not affect any transactions or proceedings already completed by the Demerged Company 1 on and after the Appointed Date, to the end and intent that the Resulting Company1 accepts and adopts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company 1 as acts, deeds and things done and executed by and on behalf of the Resulting Company 1.

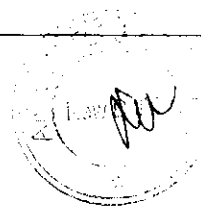
9. EMPLOYEES OF THE REAL ESTATE DIVISION

Upon the coming into effect of this Scheme, all the employees relating to the Real Estate Division that were employed by the Demerged Company 1, immediately before Effective Date, shall become employees of the Resulting Company 1 without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favorable than the terms and conditions as were applicable to such employees relating to the Real Estate Division of the Demerged Company 1 immediately prior to the demerger of the Real Estate Division.

PART IV

CONSIDERATION AND ACCOUNTING TREATMENT

10. CONSIDERATION



- 10.1 Upon the effectiveness of the Scheme, in consideration of the transfer of and vesting of the Real Estate Division of the Demerged Company 1 with and into the Resulting Company 1 and in terms of the Scheme, the Resulting Company 1 shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Demerged Company 1 (whose names are registered in the Register of Members of the Demerged Company 1 on the Record Date, or his /her/its legal heirs, executors or administrators or, as the case may be, successors), equity shares of face value Rs. 10/- (Rupees Ten) each credited as fully paid up of the Resulting Company 1 in the ratio of 10 equity shares of the face value of Rs. 10/- (Rupees Ten) each of the Resulting Company 1 for every 1 equity shares of Rs. 100/- (Rupees Ten) credited as fully paid-up held on the Record Date by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in the Demerged Company 1. Any fractional entitlement arising on this account shall be ignored for this purpose and no shares shall be issued against this fractional portion.
- 10.2 Upon the coming into effect of the Scheme, the investments in the equity share capital of Resulting Company 1 as appearing in the books of accounts of Demerged Company 1 shall stand cancelled.
- 10.3 The new equity shares issued and allotted by the Resulting Company 1 in terms of the scheme shall be subject to the provisions of the memorandum and articles association of the Resulting Company 1 and shall rank pari-passu in all respects the then existing equity shares of Resulting Company 1.

- 10.4 Where the new equity shares of Resulting Company 1 are to be allotted, pursuant to clause 10.1 above, to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of Demerged Company 1, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of Resulting Company 1.
- 10.5 The new equity shares to be issued by Resulting Company 1, pursuant to clause 10.1 above, in respect of any equity shares of Demerged Company 1 which are held in abeyance under the provisions of Section 126 of the Companies Act, 2013 or otherwise shall, pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance by Resulting Company 1.
- 10.6 Approval of this Scheme by the equity shareholders of Resulting Company 1 shall be deemed to be the due compliance of the provisions of Section 81(1A) of the Act or Section 62 of the Companies Act, 2013 and other relevant and applicable provisions of the Act and Companies Act, 2013 for the issue and allotment of the new equity shares by Resulting Company 1 to the equity shareholders of Demerged Company 1, as provided in this Scheme.
- 10.7 The cost of acquisition of the new equity shares of Resulting Company 1 in the hands of the equity shareholders of Demerged Company 1 shall be the amount which bears to the cost of acquisition of equity shares held by the equity shareholder in Demerged Company 1 the same proportion as the net book value of the assets transferred in the demerger to Resulting Company 1 bears to the net worth of Demerged Company 1 immediately before the demerger.

10.8 The period for which the existing equity share(s) in Demerged Company 1 were held by the equity shareholders shall be included in determining the period for which the new equity shares in Resulting Company 1 have been held by the respective shareholder.

11. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY 1

11.1 The assets and the liabilities of the Demerged Company 1 relating to the Real Estate Division, being transferred to the Resulting Company 1, shall be at values appearing in the books of account of the Demerged Company 1 on the close of business on the day immediately preceding the Appointed Date under this Chapter. For this purpose, any change in value of assets, consequent to their revaluation, if any, shall be ignored.

11.2 Upon the coming into effect of this Scheme, the book value of assets and liabilities pertaining to Real Estate Division being transferred to Resulting Company 1 shall be reduced from the book value of assets and liabilities of Demerged Company 1.

11.3 The difference between the value of assets and value of liabilities attributable to the Real Estate Division transferred pursuant to the Scheme shall be appropriated against the balance of Capital Reserve. The balances of the Capital Reserve shall stand reduced to that extent.

11.4 Upon the coming into effect of this chapter, and upon the issue of shares by Resulting Company 1 to the equity shareholders of Demerged Company 1, and cancellation of the shares of Resulting

Company 1 as held by Demerged Company 1, the amount of such investment in the books of Demerged Company 1 shall be written off against the balance of General Reserve.

12. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY 1

12.1 As all the assets and liabilities of the Real Estate Division shall be taken at the book value by the Resulting Company 1, the Resulting Company 1 will record the assets and liabilities of the Real Estate Division at the Book value in its Books of Accounts.

12.2 Any excess of the amount of the payment over the value of the net assets of the Demerged Company 1 relating to Real Estate Division and cancellation of investment of Demerged Company 1 into shares of Resulting Company 1 shall be recognized in the Resulting Company 1's financial statements as goodwill arising on Demerger. If the amount of the payment is lower than the value of the net assets acquired and cancellation of investment of Demerged Company 1 into shares of Resulting Company 1, the difference shall be treated as the General Reserve and the same shall be treated as the Free Reserve of the Resulting Company 1 available for the distribution of dividend.

PART V

REMAINING BUSINESS AND REORGANIZATION OF SHARE CAPITAL

13. REMAINING BUSINESS

13.1 The Remaining Business 1 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 1 subject to the provisions of the Scheme.

- 13.2 All legal or other proceedings by or against the Demerged Company 1 under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business 1 (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company 1 in respect of the Remaining Business 1) shall be continued and enforced by or against the Demerged Company 1. The Resulting Company 1 shall in no event be responsible or liable in relation to any such legal or other proceedings by or against the Demerged Company 1.
- 13.3 With effect from the Appointed Date and up to and including the Effective Date:
- a) The Demerged Company 1 shall be deemed to have been carrying on all business and activities relating to the Remaining Business 1 for and on its own behalf;
 - b) all profits accruing to the Demerged Company 1 thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business 1 shall, for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Demerged Company 1; and
 - c) all employees relatable to the Remaining Business 1 shall continue to be employed by the Demerged Company 1 and the Resulting Company 1 shall not in any event be liable or

responsible for any claims whatsoever regarding such employees.

14. REORGANIZATION OF AUTHORISED SHARE CAPITAL, ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL AND AMENDMENTS IN MEMORANDUM AND ARTICLES OF ASSOCIATION

14.1 AUTHORISED & ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL OF THE DEMERGED COMPANY 1

14.1.1 Upon the scheme becoming effective, the Authorized Share Capital of the Demerged Company 1 shall stand transferred to the Resulting Company 1 without any further act, instrument or deed and without payment of any fees, stamp duty etc. to the extent of Rs.1,00,00,000/- (Rupees One Crores only) pursuant to sections 16, 31, 94 and 394 and other applicable provisions of the Act, as the case may be.

14.1.2 Consequentially, upon Scheme being effective, Clause V of the Memorandum of Association of the Demerged Company 1 (relating to authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 16, 31, 94 and 394 and other applicable provisions of the Act, as the case may be, in the manner set out below and be modified accordingly.

14.2 AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE RESULTING COMPANY 1

- 14.2.1 Upon the scheme being effective, the Authorized Capital of the Resulting Company 1 shall stand increased by Rs. 1,00,00,000/- (Rupees One Crores only) which shall be transferred from the Authorized Capital of Demerged Company 1 to the Resulting Company 1 without any further act, instrument or deed and without payment of any fees, stamp duty etc.
- 14.2.2 The Authorized Equity share capital to be transferred of Rs. 1,00,00,000 divided into 1,00,000 equity share having Face Value of Rs. 100 per share of the Demerged Company 1 shall be, firstly, reorganized into equity share capital of Rs. 1,00,00,000 with 10,00,000 equity share having Face Value of Rs. 10 per shares and then, it shall be consolidated to the Authorized Share Capital of Resulting Company 1.
- 14.2.3 After clause 14.2.1 and 14.2.2 been executed, Clause V of the Memorandum of Association of Resulting Company 1 shall be replaced as under:

Clause V of Memorandum of Association: -

“The Authorized Share Capital of the Resulting Company 1 is Rs. 1,05,00,000/- [Rupees One Crores Five Lakhs only] divided into 10,50,000 Equity Shares of Rs. 10/- [Rupees Ten only], with such rights, privileges and conditions attached thereto as may be determined by the General Meetings at the time of issue. The Resulting Company 1 has and shall always have the power to divide the Share capital from time to time and to vary, modify and abrogate any rights, privileges, conditions attached to the Share in such a

manner as may from the time being provided in the regulations of the Resulting Company 1”.

14.2.4 Under the accepted principle of Single Window Clearance, it is hereby provided that the above referred change, viz. Change in the Capital Clause and its reorganization shall become operative on the scheme being effective by virtue of the fact that the Shareholders of the Resulting Company 1, while approving the scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Section 16, 31, 94, 95,97 and 100 - 103 of the Companies Act, 1956 or any other provisions of the Act and/ or section 61 or section 66 of the Companies Act, 2013 and shall not be required to pass separate resolutions or any other applicable provisions of the Companies Act 1956/ 2013 would be required to be separately passed.

CHAPTER 3

AMALGAMATION OF ARAPL WITH AND INTO ARL

PART I

RATIONALE, DEFINITIONS AND CAPITAL STRUCTURE

1. RATIONALE

The Rationale and Benefits from the amalgamation are as under:

- i. To restructure the shareholding pattern of ARL
- ii. To eliminate a layer of promoter investment Company and streamline promoter holding

2. DEFINITIONS :

In this Chapter 3 of the Scheme, pertaining to Amalgamation of ARAPL with and into ARL, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

2.1 "Appointed Date" shall for the purpose of this Chapter, mean 1st April, 2016 being the date and time with effect from which ARAPL shall be amalgamated with and into ARL in terms of this Chapter and other relevant provisions of this Scheme, upon sanction of the Scheme by the Courts and the Chapter coming into effect.

2.2 Date of Effectiveness of this Chapter 3

This Chapter 3 shall come into effect on the last of the date on which the certified copy of the order of the Hon'ble High Court of Punjab and Haryana at Chandigarh or any other appropriate authority sanctioning the Scheme is filed with the relevant Registrar of Companies, for the state of Haryana at New Delhi.

3. Capital Structure :

The authorized, issued, subscribed and paid-up share capital of ARAPL, and ARL are as under:

3.1 The Share Capital of the Amalgamating Company (ARAPL) as per the Audited Financial Statement dated March 31, 2016 is as under:

Authorized Share Capital	Amount (INR)
3,00,000 Equity Shares of Rs. 100/- each	3,00,00,000/-
50,000 8% Non-cumulative Preference Shares of Rs. 100/- each	50,00,000/-
Total	3,50,00,000/-

AW

Issued, Subscribed and Paid up Share Capital	
1,80,635 Equity Shares of Rs. 100/- each	1,80,63,500/-
Total	1,80,63,500/-

The authorized, issued, subscribed and paid-up share capital of Amalgamating Company (ARAPL) is the same as above as on the date of Board meeting sanctioning the Scheme.

- 3.2 The Share Capital of the Amalgamated Company (ARL) as per the Audited Financial Statement dated March 31, 2016 is as under:

Authorized Share Capital	Amount (INR)
39,70,00,000 Equity Shares of Re. 2/- each	79,40,00,000/-
Total	79,40,00,000 /-
Issued, Subscribed and	
29,51,47,335 Equity Shares of Re. 2/- each	59,02,94,670 /-
Total	59,02,94,670 /-
Paid up Share Capital	
29,50,96,335 Equity Shares of Re. 2/- each	59,01,92,670 /
Total	59,01,92,670 /-

The authorized, issued, subscribed and paid-up share capital of Amalgamated Company (ARL) is the same as above as on the date of Board meeting sanctioning the Scheme.

PART II
AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES AND
ENTIRE BUSINESS OF ARAPL WITH AND INTO ARL

4. Upon this Chapter 3 becoming effective and with effect from the Appointed Date herein, ARAPL (being the Resultant ARAPL as defined above) shall stand amalgamated with and be vested in ARL, under the provisions of Section 391 to 394 and all other applicable provisions, if any, of the Companies Act, 1956 or applicable provisions of the Companies Act, 2013 and also in accordance with section 2(1B) of the Income Tax Act, 1961, without any further act or deed, as per the provisions contained herein and in this scheme.

It is clarified that the provisions of this Chapter 3 shall take effect only upon the demerger of Real Estate Division of ARAPL with and into TPDPL.

5. Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this chapter 3 becoming effective and with effect from the Appointed Date :

- 5.1 Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date under this chapter, all immovable property (including land, buildings and any other immovable property) of ARAPL, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto, shall stand vested in ARL, without any act or deed done by ARAPL or ARL, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, ARL shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfill all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of ARL by the appropriate authorities pursuant to the sanction of the Scheme by the Court and the Scheme becoming effective in accordance with the terms hereof. ARAPL shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered

possession, right, title, interest of its immovable property is given to ARL.

- 5.2 Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date under this Chapter, all the assets of ARAPL as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall stand vested in ARL, and shall become the property and an integral part of ARL. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested, and the title to such property shall be deemed to have transferred and vested accordingly. No stamp duty shall be payable on the transfer of such movable properties (including shares and other investments, which are in dematerialized form) upon its transfer and vesting in ARL.
- 5.3 In respect of movables other than those dealt with in Clause 5.2 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, property, development rights, advances paid to any parties for acquisition of development rights, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in ARL without any notice or other intimation to the debtors (although ARL 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 depositce, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in ARL).

- 5.4 Upon the coming into effect of this Scheme and with effect from the Appointed Date under this Chapter, all liabilities relating to and comprised in ARAPL including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of ARAPL of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations, shall, stand transferred to and vested in or deemed to be transferred to and vested in ARL under the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act without any further act, instrument, deed, matter or thing.
- 5.5 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 permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, issued to or granted to or executed in favor of ARAPL and the rights and benefits under the same, and all quality certifications and approvals, trademarks, trade names, service marks, copy rights, domain names, designs, trade secrets, research and studies, technical knowhow and other intellectual properties and all other interests relating to the goods or services being dealt with by ARAPL shall be transferred to and vested in ARL and the concerned licensors and grantors of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with law, ARL on such approvals, clearances, permissions so as to empower and facilitate the approval and vesting of ARAPL in ARL and continuation of operations of ARAPL in ARL without hindrance and that such

approvals, clearances and permissions shall remain in full force and effect in favour of or against ARL, as the case may be, and may be enforced as fully and effectually as if, instead of ARAPL and ARL had been a party or beneficiary or obligee thereto.

5.6 In so far as various incentives, exemptions, service tax benefits, income tax holiday/benefit/losses and other benefits or exemptions or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by ARAPL are concerned, the same shall, without any further act or deed, vest with and be available to ARL on the same terms and conditions.

5.7 Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between ARAPL and ARL shall be considered as intra-party transactions for all purposes from the Appointed Date.

5.8 Upon the Chapter 3 being effective, the Amalgamated Company and the Amalgamating Company are expressly permitted to reopen and revise its financial accounts, income tax returns, withholding tax returns, service tax returns, value added tax returns, sales tax returns, excise and CENVAT returns, and any other statutory returns and filings under the laws for Financial year 2016-17 or any other year for this purpose, notwithstanding that the period of filing/ revising such return may have lapsed.

6. COMPLIANCE WITH SECTION 2(1B) OF THE INCOME-TAX ACT, 1961

The provisions of this Chapter as they relate to the amalgamation of ARAPL, with and into ARL, have been drawn up to comply with the conditions relating to "Amalgamation" as specified under the tax laws, including section 2(1B) and other relevant sections of the Income tax Act, 1961. If any terms or

provisions of Part II of this Chapter are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. Part II of this Chapter shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of ARAPL and ARL, which power shall be exercised reasonably in the best interests of the companies concerned.

PART III

7. BUSINESS AND PROPERTY IN TRUST AND CONDUCT OF BUSINESS OF ARAPL FOR ARL

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

7.1 ARAPL shall be carrying on and be deemed to have been carrying on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all assets, rights, title, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for ARL;

7.2 all income or profits accruing or arising to ARAPL, or all costs, charges, expenses or losses arising or incurred by it (including the effect of taxes, if any, thereon), shall, for all purposes, be treated as profits, income, costs, charges, expenses, taxes or losses, as the case may be, of ARL;

- 7.3 It is clarified that any advance tax paid / TDS credits / TDS certificates received by ARAPL shall be deemed to be the advance tax paid by / TDS credit / TDS certificate of ARL.
- 7.4 All assets howsoever acquired by ARAPL for carrying on its business, operations or activities and the liabilities relating thereto shall be deemed to have been acquired and are also contracted for and on behalf of ARL.
- 7.5 ARL shall also be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, department and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which ARL may require including the registration, approvals, exemptions, relieves, etc., as may be required / granted under any law for the time being in force for carrying on business of ARAPL.
- 7.6 Without prejudice to the above, ARAPL from the date of filing this Scheme with the High Court up to and including the Record Date shall not make any change in its capital structure, whether by way of increase (by issue of equity shares on a rights basis, bonus shares or otherwise) decrease, reduction, reclassification, sub-division or consolidation, reorganization, or in any other manner which may, in any way, affect the Share Exchange Ratio except under any of the following circumstances:
- (i) By mutual consent of the respective Board of Directors of ARAPL and ARL; or
 - (ii) By way of any obligation already subsisting as on the date of filing this Scheme with the High Court.

- 7.7 The transfer of assets, properties, liabilities or Undertaking(s) and the continuance of proceedings by or against ARAPL shall not affect any transaction or proceedings already concluded by ARAPL on or after the Appointed Date to the end and intent that ARL accepts and adopts all acts, deeds things done and executed by ARAPL in regard thereto as done executed by ARL on behalf of itself.
- 7.8 ARAPL undertakes that it will preserve and carry on the business with diligence and utmost business prudence and agrees that it will not, without prior written consent of ARL, alienate, charge, mortgage or encumber or otherwise deal with or dispose of any assets or any part thereof or recruit new employees (in each case except in the ordinary course of business) or conclude settlements with union or employees without the concurrence of ARL or undertake substantial expansion or change the general character of the business; and
- 7.9 ARAPL and/or ARL shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government(s), regulatory/local/administrative bodies and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which ARL may require to carry on the business of ARAPL.

8. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 8.1 Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, debentures, agreements and other instruments of whatever nature to which ARAPL is party, subsisting or having effect immediately before the effective date shall remain in full force and effect against or in favour of ARL, as the case may be, and may be

enforced as fully and as effectually as if, instead of ARAPL, ARL had been a party thereto.

8.2 It is clarified that in case of any such instruments including contracts, deeds, bonds, debentures etc, wherever required, ARL shall amend or modify such instrument etc, as may be appropriate, by appending, attaching or affixing thereto such addendum, stickers, papers, supplementary modification deeds etc with or without affixing the Common Seal of the Company, to denote and signify ARL as a party thereto stepping instead and in place of ARAPL. Further, ARL shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of ARAPL and to implement or carry out all formalities required on the part of ARAPL to give effect to the provisions of this Scheme.

9. LEGAL PROCEEDINGS

If any suit, writ petition, appeal, revision or claims or action before any statutory or quasi judicial authority or tribunal other proceedings of whatever nature (hereinafter called "the Proceedings") by or against ARAPL be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation of ARAPL or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against ARL in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against any of ARAPL as if the Scheme had not been made. On and from the effective date, ARL shall and may initiate any legal proceedings for and on behalf of ARAPL.

10. STAFF, WORKMEN AND EMPLOYEES OF ARAPL

All the staff, workmen and other employees in the service of ARAPL immediately before the amalgamation under the Scheme shall become the staff, workmen and employees of ARL on the basis that -

- 10.1 Their service shall be continuous and shall not be interrupted by reason of the amalgamation;
- 10.2 The terms and conditions of service applicable to the said staff, workmen or employees after such amalgamation shall not in any way be less favorable to them than those Applicable to them immediately before the amalgamation; and
- 10.3 It is expressly provided that as far as Provident Fund, Gratuity Fund, Superannuation Fund or any other Fund created or existing for the benefit of the staff, workmen and other employees of ARAPL are concerned, upon the Scheme becoming effective, ARL shall stand substituted for ARAPL for all purposes whatsoever related to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with provisions of such Funds as per the terms provided in the respective Trust Deeds. It is the aim and intent that all the rights, duties, powers and obligations of ARAPL in relation to such Funds shall become those of ARL and all the rights, duties and benefits of the employees of ARAPL under such Funds and Trusts shall be protected. It is clarified that the services of the employees of ARAPL will also be treated as having been continuous for the purpose of the aforesaid Funds or provisions.

PART IV
CONSIDERATION AND ACCOUNTING TREATMENT

11. ISSUE OF THE CONSIDERATION BY ARL

11.1 CONSIDERATION TO THE EQUITY SHAREHOLDERS OF ARAPL

Upon the effectiveness of the Scheme, in consideration of the amalgamation of and vesting of ARAPL in ARL and in terms of the Scheme, ARL shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of ARAPL (whose names are registered in the Register of Members of ARAPL on the Record Date, or his /her/its legal heirs, executors or administrators or, as the case may be, successors), equity shares of face value Re. 2/- (Rupees Two) each credited as fully paid up of ARL in the ratio of 562 equity shares of the face value of Re. 2/- (Rupees Two) each of ARL for every 1 equity shares of Rs. 100/- (Rupees Ten) credited as fully paid-up held on the Record Date by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in ARAPL (the "New Equity Shares").

On the amalgamation of ARAPL with ARL, all the investment in the equity shares of ARL, being held by ARAPL, shall be cancelled off.

11.2 The new equity shares issued and allotted by ARL in terms of the scheme shall be subject to the provisions of the memorandum and articles association of ARL and shall rank pari-passu in all respects.

11.3 The issue and allotment of new equity shares to the members of ARAPL pursuant to clause 11.1 of this Scheme is an integral part of the scheme. The approval of this scheme by the members of ARL shall be deemed to be due compliance with all applicable provisions of the Companies Act 1956 or Companies Act 2013 including but not

limited to Section 62(1) (c) of the Companies Act 2013 if applicable for the issue and allotment of new equity shares by ARL to the members of ARAPL.

11.4 Where equity shares of ARL are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of ARAPL, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title, satisfactory to the Board of Directors of ARL.

11.5 In the event that ARL restructures its equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions. Shares to be issued by ARL to the shareholders of ARAPL under this chapter, shall automatically be listed on the stock exchanges.

12. ACCOUNTING TREATMENT OF ASSETS, LIABILITIES & RESERVES OF TRANSFEROR COMPANY

12.1 Upon this Chapter 3 becoming effective and with effect from the Appointed Date, ARL shall record the assets and liabilities of ARAPL (as appearing in the books of accounts of ARAPL at the close of business on the day preceding the Appointed Date) as transferred to ARL pursuant to this Chapter 3, at their respective book values thereof.

12.2 ARL shall follow the method of accounting as prescribed for the "Pooling of Interest Method" under Ind AS 103 Business Combination as notified under the Companies (Indian Accounting Standard) Rules, 2015.

- 12.3 The face value of equity shares issued by ARL to the shareholders of ARAPL pursuant to Part IV of this Chapter 3, will be recorded as equity share capital of ARL.
- 12.4 The identity of the reserves of ARAPL, if any and to the extent deemed appropriate by the Board of Directors of ARL, shall be preserved and they shall appear in the financial statements of ARL in the same manner and form, in which they appeared in the financial statements of ARAPL respectively, prior to this Chapter 3 becoming effective. Accordingly, if prior to this Scheme becoming effective there is any reserve in the financial statements of ARAPL available for distribution whether as bonus shares or dividend or otherwise, the same would also be available in the financial statements of ARL for such distribution pursuant to this Chapter 3 becoming effective.
- 12.5 Upon this Chapter 3 becoming effective and with effect from the Appointed Date, ARL shall record the assets and liabilities of ARAPL (as appearing in the books of accounts of ARAPL respectively at the close of business on the day preceding the Appointed Date) as transferred to ARL pursuant to this Chapter 3, at their respective book values thereof.
- 12.6 The equity shares held by the ARAPL in ARL will stand cancelled as on the effective date. The shares of ARL, being held by ARAPL, will be cancelled off.
- 12.7 All inter - Company payables, receivables (including loans, advances etc.) and balances between ARAPL and ARL shall be cancelled and ARL shall accordingly not record any of such payables, receivables and balances in its books.

12.8 The difference between the assets and liabilities of ARAPL to be transferred pursuant to this chapter to the ARL and Reserves & Surplus of the ARAPL, after making the adjustment for the clause 12.6 and 12.7, if any, shall be adjusted against the balance of General Reserve.

PART V

DISSOLUTION WITHOUT WINDING UP, CONSOLIDATION OF SHARE CAPITAL AND OTHER MATTERS

13. DISSOLUTION WITHOUT WINDING UP

Upon this Scheme becoming effective, ARAPL shall be dissolved without winding up pursuant to the provisions of Section 394 of the Act.

14. VALIDITY OF EXISTING RESOLUTIONS, ETC

Upon the coming into effect of the Scheme, the resolutions of ARAPL as are considered necessary by the Board of Directors of ARL which are validly subsisting be considered as resolutions of ARL. If any such resolutions have any monetary limits approved under the provisions of the Act or of any other applicable statutory provisions, then said limits, as are considered necessary by the Board of Directors of ARL, shall be added to the limits, if any, under the like resolutions passed by ARL.

15. CONSOLIDATION OF SHARE CAPITAL AND AMENDMENT TO MEMORANDUM OF ASSOCIATION OF ARL TO CAPITAL CLAUSE

15.1 TRANSFER OF AUTHORIZED SHARE CAPITAL

- 15.1.1 Upon coming into effect of this Chapter, the Authorized Equity Share Capital of ARAPL being Rs. 2,00,00,000/- (Rupees Two Crores only), shall be added to the Authorized Share Capital of ARL, without any further act or deed and without any further payment of the stamp duty or the registration fees.
- 15.1.2 Upon coming into effect of this Chapter, the Authorized Preference Share Capital of ARAPL being Rs. 50,00,000/- (Rupees Fifty Lakhs only), shall be added to the Authorized Share Capital of ARL, without any further act or deed and without any further payment of the stamp duty or the registration fees.
- 15.1.3 The Authorized Equity share capital to be transferred of Rs. 2,00,00,000 divided into 2,00,000 equity share having Face Value of Rs. 100 per share of the Amalgamating company shall be, firstly, reorganized into equity share capital of Rs. 2,00,00,000 with 1,00,00,000 equity share having Face Value of Rs. 2 per shares and then, it shall be consolidated to the Authorized Share Capital of Amalgamated Company.
- 15.2 After clause 15.1 been executed, Clause V of the Memorandum of Association of ARL shall be replaced as under:

Clause V of Memorandum of Association: -

“The Authorized Share Capital of the Company is Rs. 81,90,00,000/- [Rupees EightyOneCroresNinety Lakhs only] divided into 40,70,00,000 Equity Shares of Re. 2/- [Rupees Two only] and 50,000

8% Preference Shares of Rs. 100/- [Rupees Hundred only]with such rights, privileges and conditions attached thereto as may be determined by the General Meetings at the time of issue. The Company has and shall always have the power to divide the Share capital from time to time and to vary, modify and abrogate any rights, privileges, conditions attached to the Share in such a manner as may from the time being provided in the regulations of the Company”.

15.3 Under the accepted principle of Single Window Clearance, it is hereby provided that the above referred change, viz. Change in the Capital Clause and its reorganization shall become operative on the scheme being effective by virtue of the fact that the Shareholders of ARL, while approving the scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Section 16, 31, 94, 9597 and 100 - 103 of the Companies Act, 1956 or any other provisions of the Act and/ or section 61 or section 66 of the Companies Act, 2013 and shall not be required to pass separate resolutions or any other applicable provisions of the Companies Act 1956/ 2013 would be required to be separately passed.

CHAPTER 4

DEMERGER OF PROJECT DIVISION OF ARL AND VESTING OF PROJECT DIVISION WITH AND INTO ARGL

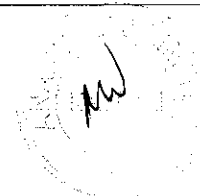
PART I

RATIONALE, DEFINITIONS AND CAPITAL STRUCTURE

1. RATIONALE

The Demerger exercise will have following synergies:

- i. The demerger of ARL is likely to enable the business and activities to be pursued and carried on with greater focus and attention through two separate Companies each having its own administrative set up. Independent setup of each of the undertaking of ARL and ARGL will ensure required depth and focus on each of the Companies and adoption of strategies necessary for the growth of the respective Company. The structure provides independence to the management in decisions regarding the use of their respective cash flows for dividends, capital expenditure or other reinvestment in their respective businesses;
- ii. Pursuant to the issue and allotment of shares in terms of this scheme, the equity shareholders of ARL shall hold equity shares in both the Companies i.e. ARL and ARGL. It gives shareholders the ability to continue to remain invested in both or either of the two Companies giving them greater flexibility in managing and/or dealing with their investments;
- iii. The restructuring proposal under the scheme would result into unlocking of value for ARL by transfer Project Division;
- iv. Demerger of Project Division would assist in induction of joint venture partner/strategic investor/ financial investor and pursue inorganic and organic growth opportunities in such businesses.
- v. The restructuring proposal is thus aimed at protecting and maximizing value for the shareholders of ARL. This scheme is in the interest of the shareholders, creditors and all other stakeholders of ARL; and
- vi. The restructuring under this scheme would enable focused business approach for maximization of benefits to all stakeholders and capitalize on the opportunity for the growth.



2. **DEFINITIONS :**

In this Chapter 4 of the Scheme, pertaining to demerger of the Project Division of ARL with and into ARGL, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

1.1 "Appointed Date" shall for the purpose of this Chapter, means 1st April, 2016 being the date and time with effect from which the Project Division of ARL shall be demerged and vested with and into ARGL in terms of this Chapter and other relevant provisions of this Scheme,

upon sanction of the Scheme by the Courts and the Chapter coming into effect.

1.2 **Date of Effectiveness of this Chapter 4**

This Chapter 4 shall come into effect on the last of the date on which the certified copy of the order of the Hon'ble High Court of Punjab and Haryana at Chandigarh or any other appropriate authority sanctioning the Scheme is filed with the Registrar of Companies for the state of Haryana at New Delhi.

3. **Capital Structure :**

The authorized, issued, subscribed and paid-up share capital of ARL and ARGL are as under:

3.1 The Share Capital of the Demerged Company 2 (ARL) as per the Audited Financial Statement dated March 31, 2016 is as under:

Authorized Share Capital	Amount (INR)
--------------------------	--------------

39,70,00,000 Equity Shares of Re. 2/- each	79,40,00,000/-
Total	79,40,00,000/-
Issued, Subscribed and	
29,51,47,335 Equity Shares of Re. 2/- each	59,02,94,670 /-
Total	59,02,94,670/-
Paid up Share Capital	
29,50,96,335 Equity Shares of Re. 2/- each	59,01,92,670 /
Total	59,01,92,670/-

The authorized, issued, subscribed and paid-up share capital of Demerged Company 2 (ARL) is the same as above as on the date of Board meeting sanctioning the Scheme. The shares of ARL are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

3.2 The Share Capital of the Resulting Company 2 (ARGL) is as under:

Authorized Share Capital	Amount (INR)
2,50,000 Equity Shares of Rs. 2/- each	5,00,000/-
Total	5,00,000/-
Issued, Subscribed and Paid up Share Capital	
2,50,000 Equity Shares of Rs. 2/- each	5,00,000/-
Total	5,00,000/-

ARGL is a wholly owned subsidiary Company of ARL.

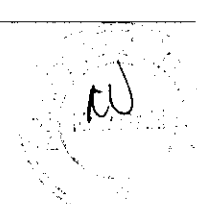
PART II

DEMERGER AND VESTING OF PROJECT DIVISION

4. Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the Project Division shall, without any further act, instrument, deed, matter or thing, be demerged from the Demerged Company 2 and transferred to and vested with and into the Resulting Company 2 on a going concern basis, in the manner described hereunder:

4.1 In respect of such of the assets of the Project Division as are movable in nature and/or otherwise capable of transfer by manual or constructive delivery and/or by endorsement and delivery, the same shall stand transferred by the Demerged Company 2 upon coming into effect of this Scheme pursuant to the provisions of section 394 of the Act without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property of the Resulting Company 2 as an integral part of the Project Division.

4.2 In respect of assets other than those dealt with in clause 4.1 above, including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc. the same shall stand transferred to and vested in the Resulting Company 2 without any notice or other intimation to any person in pursuance of the provisions of sections 391 to 394 read with other relevant provisions of the Act to the end and intent that the right of the Demerged Company 2 to recover or realize the same stands transferred to the Resulting Company 2. The Resulting Company 2 shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in



the Resulting Company 2 and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.

4.3 Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Demerged Company 2 in any leasehold/leave and license/right of way properties of the Demerged Company 2 in relation to the Project Division, shall, pursuant to section 394(2) of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to or vested in the Resulting Company 2 on the same terms and conditions.

4.4 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 permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, issued to or granted to or executed in favor of the Demerged Company 2, and the rights and benefits under the same, in so far as they relate to the Project Division and all quality certifications and approvals, trademarks, trade names, service marks, copy rights, domain names, designs, trade secrets, research and studies, technical knowhow and other intellectual properties and all other interests relating to the goods or services being dealt with by the Project Division, shall be transferred to and vested in the Resulting Company 2 and the concerned licensors and grantors of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with law, the Resulting Company 2 on such approvals, clearances, permissions so

as to empower and facilitate the approval and vesting of the Project Division of the Demerged Company 2 in the Resulting Company 2 and continuation of operations pertaining to the Project Division of the Demerged Company 2 in the Resulting Company 2 without hindrance and that such approvals, clearances and permissions shall remain in full force and effect in favour of or against the Resulting Company 2, as the case may be, and may be enforced as fully and effectually as if, instead of the Demerged Company 2, the Resulting Company 2 had been a party or beneficiary or obligee thereto.

- 4.5 In so far as various incentives, exemptions, service tax benefits, income tax holiday/benefit/losses and other benefits or exemptions or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Demerged Company 2 are concerned, the same shall, without any further act or deed, in so far as they relate to the Project Division, vest with and be available to the Resulting Company 2 on the same terms and conditions.
- 4.6 All assets, estate, rights, title, interest and authorities acquired by the Demerged Company 2 after the Appointed Date and prior to the Effective Date for operation of the Project Division shall also stand transferred to and vested in the Resulting Company 2 upon coming into effect of this Scheme.
- 4.7 Upon the coming into effect of this Scheme, all debts (whether secured or unsecured), borrowings including loans and borrowings from banks and/or financial institutions (to the extent of the said loans/borrowings that may be allocated/demarcated by the concerned banks and/or financial institutions to be transferred to the Resulting Company 2), obligations, duties and liabilities (including

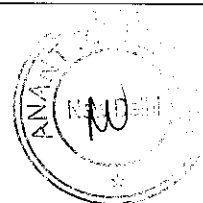
contingent liabilities) of the Demerged Company 2 relating to the Project Division shall without any further act, instrument or deed be and stand transferred to the Resulting Company 2 and shall thereupon become the debts, borrowings, obligations, duties and liabilities of the Resulting Company 2 which it undertakes to meet, discharge and satisfy to the exclusion of the Demerged Company 2 and to keep the Demerged Company 2 indemnified at all times from and against all such debts, duties, obligations and liabilities and from and against all actions, demands and proceedings in respect thereto. 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, obligations, duties and liabilities have arisen in order to give effect to the provisions of this clause.

4.8 Where any of the liabilities and obligations of the Demerged Company 2 as on the Appointed Date deemed to be transferred to the Resulting Company 2, have been discharged by the Demerged Company 2 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company 2 and all liabilities and obligations incurred by the Demerged Company 2 for the operations of the Project Division after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the Resulting Company 2 and to the extent of their outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Resulting Company 2 and shall become the liabilities and obligations of the Resulting Company 2 which shall meet, discharge and satisfy the same.

4.9 Any claims, liabilities or demands arising on account of the Project Division which relates to the period prior to the Appointed Date but

arises at any time after the Effective Date shall be entirely borne by the Resulting Company 2. In the event that such liability is incurred by or such claim or demand is made upon the Demerged Company 2, then the Resulting Company 2 shall indemnify the Demerged Company 2 for any payments made in relation to the same.

- 4.10 In so far as the assets of the Project Division are concerned, the security, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of the Remaining Business 2 of the Demerged Company 2, shall, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as security in relation to those liabilities of the Demerged Company 2 which are not transferred to the Resulting Company 2.
- 4.11 In so far as the assets of the Remaining Business 2 of the Demerged Company 2 are concerned, the security/existing charges and mortgages over such assets, to the extent they relate to any loans or borrowings of the Project Division (as that may be allocated/demarcated by the concerned banks and/or financial institutions to be transferred to the Resulting Company 2) shall, without any further act, instrument or deed be released and discharged from such security. The absence of any formal amendment which may be required by a bank and/or financial institution in order to affect such release shall not affect the operation of this clause.
- 4.12 In so far as the existing security in respect of the loans of the Demerged Company 2 and other liabilities relating to the Remaining Business 2 of the Demerged Company 2 are concerned, such security shall, without any further act, instrument or deed be continued with



the Demerged Company 2 only on the assets remaining with the Demerged Company 2.

- 4.13 Without any prejudice to the provisions of the foregoing clauses, the Demerged Company 2 and the Resulting Company 2 shall enter into and execute such other deeds, instruments, documents and/or writings and/or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, at New Delhi to give formal effect to the provisions of this clause and foregoing clauses, if required.
- 4.14 Upon the coming into effect of this Scheme, the Resulting Company 2 alone shall be liable to perform all obligations in respect of the liabilities being transferred under this Scheme and the Demerged Company 2 shall not have any obligations in respect of the same.
- 4.15 Upon the coming into effect of this Scheme, the Demerged Company 2 alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to the Remaining Business 2 and the Resulting Company 2 shall not have any obligations in respect of the Remaining Business 2.
- 4.16 Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of the foregoing clauses 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.



- 4.17 Upon the Chapter 4 being effective, the Resulting Company 2 and the Demerged Company 2 are expressly permitted to reopen and revise its financial accounts, income tax returns, withholding tax returns, service tax returns, value added tax returns, sales tax returns, excise and CENVAT returns, and any other statutory returns and filings under the laws for Financial year 2016-17 or any other year for this purpose, notwithstanding that the period of filing/revising such return may have lapsed.

PART III

5. BUSINESS AND PROPERTY IN TRUST AND CONDUCT OF THE PROJECT DIVISION FOR THE RESULTING COMPANY 2

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

- 5.1 The Demerged Company 2 shall be carrying on and be deemed to have been carrying on all business and activities relating to the Project Division and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Project Division for and on account of, and in trust for the Resulting Company 2;
- 5.2 all income or profits accruing or arising to the Demerged Company 2, or all costs, charges, expenses or losses arising or incurred by it (including the effect of taxes, if any, thereon), relating to the Project

Division shall, for all purposes, be treated as profits, income, costs, charges, expenses, taxes or losses, as the case may be, of the Resulting Company 2;

- 5.3 the Demerged Company 2 undertakes that it will preserve and carry on the business of the Project Division with diligence and utmost business prudence and agrees that it will not, without prior written consent of the Resulting Company 2, alienate, charge, mortgage or encumber or otherwise deal with or dispose of the Project Division or any part thereof or recruit new employees (in each case except in the ordinary course of business) or conclude settlements with union or employees without the concurrence of the Resulting Company 2 or

undertake substantial expansion or change the general character or nature of the business of the Project Division; and

- 5.4 the Demerged Company 2 and/or the Resulting Company 2 shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government(s), regulatory/local/administrative bodies and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Resulting Company 2 may require to carry on the business of the Project Division.

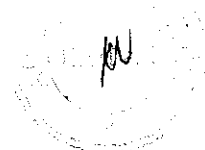
6. LEGAL PROCEEDINGS

- 6.1 Upon the coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company 2, under

any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the Project Division shall be continued and enforced by or against the Resulting Company 2 after the Effective Date. In the event that the legal proceedings referred to herein require the Demerged Company 2 and the Resulting Company 2 to be jointly treated as parties thereto, the Resulting Company 2 shall be added as a party to such proceedings and shall prosecute and defend such proceedings in cooperation with the Demerged Company 2. In the event of any difference or difficulty in determining as to whether any specific legal or other proceedings relate to the Project Division or not, a decision jointly taken by the Board of Directors of the Demerged Company 2 and the Resulting Company 2 in this regard, shall be conclusive evidence of the matter.

- 6.2 If proceedings are taken against the Demerged Company 2 in respect of the matters referred to in clause 6.1 above, it shall defend the same in accordance with the advice of the Resulting Company 2 and at the cost of the Resulting Company 2, and the latter shall reimburse and indemnify the Demerged Company 2 against all the liabilities and obligations incurred by the Demerged Company 2 in respect thereof.
- 6.3 The Resulting Company 2 undertakes to have all legal and other proceedings initiated by or against the Demerged Company 2 in respect of the matters referred to in clause 6.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company 2 to the exclusion of the Demerged Company 2.

7. CONTRACTS, DEEDS, ETC.



7.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Project Division to which the Demerged Company 2 is a party or to the benefit of which the Demerged Company 2 may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect by or against or in favour of the Resulting Company 2, as the case may be, and may be enforced as fully and effectually as if, instead of the Demerged Company 2, the Resulting Company 2 had been a party or beneficiary or obligee thereto.

7.2 Notwithstanding the fact that vesting of the Project Division occurs by virtue of the Scheme itself, the Resulting Company 2 may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required, under any law or otherwise, execute 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 2 is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Demerged Company 2 will, if necessary, also be a party to the above. The Resulting Company 2 shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company 2 and to carry out or perform all such formalities or compliance referred to above on the part of the Demerged Company 2 to be carried out or performed.

8. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets, liabilities and obligations of the Project Division under clause 4 hereof and the continuance of the proceedings by or against the Resulting Company 2 under clause 6 hereof shall not affect any transactions or proceedings already completed by the Demerged Company 2 on and after the Appointed Date, to the end and intent that the Resulting Company 2 accepts and adopts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company 2 as acts, deeds and things done and executed by and on behalf of the Resulting Company 2.

9. EMPLOYEES OF THE PROJECT DIVISION

9.1 Upon the coming into effect of this Scheme, all the employees relating to the Project Division that were employed by the Demerged Company 2, immediately before Effective Date, shall become employees of the Resulting Company 2 without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favorable than the terms and conditions as were applicable to such employees relating to the Project Division of the Demerged Company 2 immediately prior to the demerger of the Project Division.

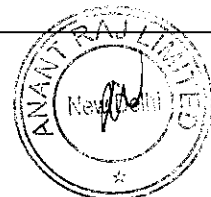
9.2 The Resulting Company 2 agrees that the service of all employees pertaining to the Project Division with the Demerged Company 2 up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Demerged Company 2 up to the Effective Date. The Resulting Company 2 further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Demerged Company 2, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

- 9.3 Upon the coming into effect of this Scheme, the Resulting Company 2 shall make all the necessary contributions for such transferred employees relating to the Project Division, and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. The Resulting Company 2 will also file relevant intimations in respect of the Project Division to the statutory authorities concerned who shall take the same on record and substitute the name of the Resulting Company 2 for the Demerged Company 2.
- 9.4 In so far as the existing provident fund, gratuity fund and pension and /or superannuation fund / trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits created by the Demerged Company 2 for employees of the Project Division are concerned, such proportion of the funds, contributions to the funds or the scheme or the investments made into the funds relating to the employees pertaining to the Project Division as on the Effective Date, who are being transferred along with the Project Division in terms of the Scheme, upon the coming into effect of this Scheme, shall be transferred to the necessary funds, schemes or trusts of the Resulting Company 2 and till the time such necessary funds, schemes or trusts are created by the Resulting Company 2, all contribution shall continue to be made to the existing funds, schemes or trusts of Demerged Company 2.

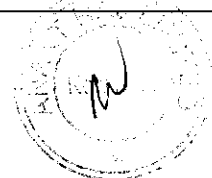
PART IV

CONSIDERATION AND ACCOUNTING TREATMENT

10. CONSIDERATION



- 10.1 Upon the effectiveness of the Scheme, in consideration of the transfer of and vesting of the Project Division of the Demerged Company 2 with and into the Resulting Company 2 and in terms of the Scheme, the Resulting Company 2 shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Demerged Company 2 (whose names are registered in the Register of Members of the Demerged Company 2 on the Record Date, or his /her/its legal heirs, executors or administrators or, as the case may be, successors), equity shares of face value Re. 2/- (Rupees Two) each credited as fully paid up of the Resulting Company 2 in the ratio of 1 equity shares of the face value of Re. 2/- (Rupees Two) each of the Resulting Company 2 for every 1 equity shares of Rs. 2/- (Rupees Two) credited as fully paid-up held on the Record Date by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in the Demerged Company 2.
- 10.2 Upon the coming into effect of the Scheme, the investments in the equity share capital of Resulting Company 2 as appearing in the books of accounts of Demerged Company 1 shall stand cancelled.
- 10.3 The new equity shares issued pursuant to clause 10.1 above shall be issued and allotted in a dematerialized form to those equity shareholders who hold equity shares in Demerged Company 2 in dematerialized form, into the account with the depository participant in which the equity shares of Demerged Company 2 are held or such other account with the depository participant as is intimated by the equity shareholders to Resulting Company 2 before the Record Date. All those equity shareholders of Demerged Company 2 who hold equity shares of Demerged Company 2 in physical form shall also have the option to receive the new equity shares, as the case may be,



in dematerialized form provided the details of their account with the depository participant are intimated in writing to Resulting Company 2 before the Record Date. In the event that Resulting Company 2 has received notice from any equity shareholder of Demerged Company 2 that equity shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required or if the details furnished by any member do not permit electronic credit of the shares of Resulting Company 2, then Resulting Company 2 shall issue new equity shares of Resulting Company 2 in accordance with clause 10.1 as the case may be, in physical form to such equity shareholder.

- 10.4 The new equity shares issued and allotted by the Resulting Company 2 in terms of the scheme shall be subject to the provisions of the memorandum and articles association of the Resulting Company 2 and shall rank pari-passu in all respects the then existing equity shares of Resulting Company 2.
- 10.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any equity shareholder of Demerged Company 2, the Board of Directors of Demerged Company 2 shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in Demerged Company 2 as if such changes in registered holder were operating as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in Resulting Company 2 issued by Resulting Company 2 upon the coming into effect of this Scheme.
- 10.6 Where the new equity shares of Resulting Company 2 are to be allotted, pursuant to clause 10.1 above, to heirs, executors or administrators or, as the case may be, to successors of deceased



equity shareholders of Demerged Company 2, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of Resulting Company 2.

- 10.7 The new equity shares to be issued by Resulting Company 2, pursuant to clause 10.1 above, in respect of any equity shares of Demerged Company 2 which are held in abeyance under the provisions of Section 126 of the Companies Act, 2013 or otherwise shall, pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance by Resulting Company 2.
- 10.8 Approval of this Scheme by the equity shareholders of Resulting Company 2 shall be deemed to be the due compliance of the provisions of Section 81(1A) of the Act or Section 62 of the Companies Act, 2013 and other relevant and applicable provisions of the Act and Companies Act, 2013 for the issue and allotment of the new equity shares by Resulting Company 2 to the equity shareholders of Demerged Company 2, as provided in this Scheme.
- 10.9 Resulting Company 2 shall, if and to the extent required to, apply for and obtain any approvals from the concerned regulatory authorities including the Reserve Bank of India, for the issue and allotment of new equity shares by Resulting Company 2 to the non-resident equity shareholders of Demerged Company 2. Resulting Company 2 shall comply with the relevant and applicable rules and regulations including the provisions of Foreign Exchange Management Act, 1999, if any, to enable Resulting Company 2 to issue and allot new equity shares to the non-resident equity shareholders of Demerged Company 2.



- 10.10 The new equity shares to be issued by Resulting Company 2, in terms of this clause 10.1 above, will be listed and/or admitted to trading on the BSE and NSE where the equity shares of Demerged Company 2 are listed and/or admitted to trading in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable regulations. Resulting Company 2 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 aforesaid stock exchanges. On such formalities being fulfilled the said stock exchanges shall list and /or admit such new equity shares also for the purpose of trading.
- 10.11 The new equity shares allotted by Resulting Company 2, pursuant to clause 10.1 above, shall remain frozen in the depositories system till the listing / trading permission is given by the BSE and NSE.
- 10.12 There shall be no change in the shareholding pattern or control in Resulting Company 2 between the record date and the listing which may affect the status of this approval.
- 10.13 The exchange ratio has been duly certified by Chirag R Shah and Associates, an independent Chartered Accountant. Further, Vivro Financial Services Private Limited have provided a fairness opinion on fairness on the share entitlement ratio determined for the demerger and vesting of the Project Division of Demerged Company 2 in Resulting Company 2. The valuation report and the fairness opinion as aforesaid have been duly approved by the Board of Directors of Demerged Company 2 and Resulting Company 2.
- 10.14 The cost of acquisition of the new equity shares of Resulting Company 2 in the hands of the equity shareholders of Demerged Company 2 shall be the amount which bears to the cost of acquisition

of equity shares held by the equity shareholder in Demerged Company 2 the same proportion as the net book value of the assets transferred in the demerger to Resulting Company 2 bears to the net worth of Demerged Company 2 immediately before the demerger.

10.15 The period for which the existing equity share(s) in Demerged Company 2 were held by the equity shareholders shall be included in determining the period for which the new equity shares in Resulting Company 2 have been held by the respective shareholder.

11. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY 2

11.1 The assets and the liabilities of the Demerged Company 2 relating to the Project Division, being transferred to the Resulting Company 2, shall be at values appearing in the books of account of the Demerged Company 2 on the close of business on the day immediately preceding the Appointed Date for the Demerger under this Chapter. For this purpose, any change in value of assets, consequent to their revaluation, if any, shall be ignored.

11.2 Upon the coming into effect of this Scheme, the book value of assets and liabilities pertaining to Project Division being transferred to Resulting Company 2 shall be reduced from the book value of assets and liabilities of Demerged Company 2.

11.3 The difference between the value of assets and value of liabilities attributable to the Project Division transferred pursuant to the Scheme shall be appropriated against balance of Securities Premium Account in the manner as enumerated in Clause 14 of this Chapter. The balances of the Securities Premium Account shall stand reduced to that extent.

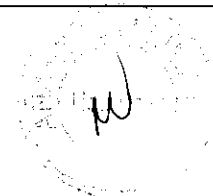
11.4 Upon the coming into effect of this chapter, and upon the issue of shares by Resulting Company 2 to the equity shareholders of Demerged Company 2, and cancellation of the shares of Resulting Company 2 as held by Demerged Company 2, the amount of such investment in the books of Demerged Company 2 shall be written off against the balance of General Reserve.

12. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY 2

12.1 Upon coming into effect of this Scheme, Resulting Company 2 shall record the assets and liabilities of the Project Division at the respective book values appearing in the books of Demerged Company 2 at the close of business on the day immediately preceding the Appointed Date.

12.2 Any excess of the amount of the payment over the value of the net assets of the Project Division of the Demerged Company 2 acquired by the Resulting Company 2 shall be recognized in the Resulting Company 2's financial statements as goodwill arising on Demerger. The Resulting Company 2 is allowed to amortize this balance of goodwill over a period of time as may be determined by board of directors. If the amount of the payment is lower than the value of the net assets acquired, the difference shall be treated as the General Reserve and the same shall be treated as the Free Reserve of the Resulting Company 2 available for the distribution of dividend.

12.3 Simultaneously with the allotment of equity shares by Resulting Company 2, in terms of clause 10.1 above, the existing shareholding of Demerged Company 2 in Resulting Company 2 shall stand



cancelled. The cancellation which amounts to reduction of share capital of Resulting Company 2, shall be effected as an integral part of the Scheme itself in accordance with the provisions of Sections 100 to 103 of the Act and as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 are not applicable and the order of the High Court sanctioning the Scheme shall also be deemed to be an order under Section 102 of the Act confirming such reduction. Notwithstanding the reduction as mentioned above, Resulting Company 2 shall not be required to add "and reduced" as a suffix to its name and Resulting Company 2 shall continue in its existing name.

PART V

REMAINING BUSINESS, REORGANIZATION OF SHARE CAPITAL AND REDUCTION OF SHARE CAPITAL

13. REMAINING BUSINESS

- 13.1 The Remaining Business 2 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 2 subject to the provisions of the Scheme.
- 13.2 All legal or other proceedings by or against the Demerged Company 2 under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business 2 (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company 2 in respect



of the Remaining Business 3) shall be continued and enforced by or against the Demerged Company 2. The Resulting Company 2 shall in no event be responsible or liable in relation to any such legal or other proceedings by or against the Demerged Company 2.

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

- a) The Demerged Company 2 shall be deemed to have been carrying on all business and activities relating to the Remaining Business 2 for and on its own behalf;
- b) all profits accruing to the Demerged Company 2 thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business 2 shall, for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Demerged Company 2; and
- c) all employees relatable to the Remaining Business 2 shall continue to be employed by the Demerged Company 2 and the Resulting Company 2 shall not in any event be liable or responsible for any claims whatsoever regarding such employees.

14. RESTRUCTURE IN THE FORM OF REDUCTION/UTILIZATION OF BALANCE OF SECURITIES PREMIUM ACCOUNT OF THE DEMERGED COMPANY 2

14.1 Upon demerger of Project Division and resultant transfer and vesting thereof of assets and liabilities of the Project Division as envisaged in Clause 4 of this Chapter, consequentially, the shareholders funds

comprising of Share Capital and Reserve and Surplus of ARL will no longer be fully represented by assets less liabilities. To reflect the same, as an integral part of the Scheme, Reduction of balance of Securities Premium Account is proposed.

- 14.2 The Securities Premium Account of the Demerged Company 2 shall be reduced by the amount of net worth of Project Division to be transferred under this Chapter. .
- 14.3 The above referred utilization of securities premium account being consequential in nature is proposed to be effected as an integral part of the Scheme. The approval of the members and creditors of the Demerged Company 2 to the proposed Scheme shall be deemed to be their approval under the provisions of Section 78 read with Section 100 of the Companies Act, 1956 or Section 52 read with Section 66 of the Companies Act, 2013 and all other applicable provisions of the Act and the Demerged Company 2 shall not be required to undertake any separate proceedings for the same. The order of the Hon'ble High Court sanctioning the Scheme shall be deemed to be an Order under Section 102 of the Companies Act, 1956 or under subsection (3) of the Section 66 of the Companies Act, 2013. In view of the same, the Demerged Company 2 shall not be required to separately comply with Section 78 read with Section 100 of the Companies Act, 1956 or Section 52 read with Section 66 of the Companies Act, 2013 or any other provisions of Companies Act, 1956 or Companies Act, 2013. The Demerged Company 2 shall not be required to add "And Reduced" after its name.

CHAPTER 5

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

1. APPLICATIONS TO HIGH COURT

The Companies shall, with all reasonable dispatch, make joint petitions to the Hon'ble High Court of Punjab and Haryana at Chandigarh or to the National Company Law Tribunal (as and when applicable) pursuant to Sections 391 to 394 read with other applicable provisions of the Companies Act, 1956 or any provisions of the Companies Act, 2013, as may be applicable, from time to time, for holding/dispensing with the meetings of the shareholders and/or Creditors of all the Companies and obtaining one or more orders sanctioning this scheme and carrying this scheme into effect.

2. MODIFICATIONS/AMENDMENTS TO THE SCHEME

2.1 The Board of Directors of the Companies may assent from time to time, on behalf of all persons concerned including the shareholders, to any modifications or amendments or additions to the Scheme or to any conditions or limitations which either the Board of Directors of the Companies may deem fit or which the Hon'ble High Court and/or any competent Authority, if any, under the law may deem fit, to approve of or impose and which the Board of Directors of the Companies may in their discretion, deem fit, and to resolve all doubts or difficulties that may arise in carrying out and implementing this Scheme and to do all acts, instruments, deeds, matters and things necessary or to review position relating to the satisfaction of the conditions of this Scheme and if necessary, to waive any of those (to the extent permissible under law) for bring the scheme into effect. In the event of any of the conditions that may be imposed by the Hon'ble High Court or other authorities including the SEBI and the



Stock Exchanges, which the Companies may find unacceptable for any reason, whatsoever, then the Companies are at liberty to withdraw the Scheme. The aforesaid powers of the Companies may be exercised by their respective Board of Directors, or a committee of the concerned Board of Directors, or any director authorized in that behalf by the concerned Board of Directors.

- 2.2 For the purpose of giving effect to the Scheme or to any modifications or amendments thereof, or additions thereto, the delegate(s) of the Demerged and the other Companies may give and hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties in the same manner as if the same were specifically incorporated in this Scheme.
- 2.3 Notwithstanding clause 2.1 and 2.2 above, the Companies (acting through their respective Board of Directors) shall be at liberty to withdraw or modify the Scheme for the reason of any condition or alteration imposed by the Court or any other governmental/regulatory authority not being acceptable to them.
- 2.4 In any Chapter (or part thereof) of the Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such Chapter (or part thereof) shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such Chapter (or part thereof) shall cause the Scheme to become materially adverse to any party, in which case the Companies (acting through its respective Board of Directors), to which such Chapter (or part thereof) relates to and ARL shall attempt to bring about the modifications in the Scheme, as will best preserve for the

parties, the benefits and obligations of this Scheme, including but not limited to such Chapter (or part thereof).

3. SECURITIES AND EXCHANGE BOARD OF INDIA COMPLIANCES

- 3.1 Since Anant Raj Limited or Amalgamated Company or Demerged Company -2 is a listed company, this Scheme is subject to the Compliances by the Amalgamated Company or Demerged Company -2of all the requirements under the listing regulations and all statutory directives of the Securities Exchange Board of India ("SEBI") insofar as they relate to sanction and implementation of the Scheme.
- 3.2 The Amalgamated Company or Demerged Company -2shall also comply with the directives of SEBI contained in the Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015.
- 3.3 Para (I)(A)(9)(a) of Annexure I of SEBI circular dated November 30, 2015is applicable to this Scheme, therefore theAmalgamated Company or Demerged Company -2 will provide voting by the public shareholders through postal ballot and e-voting and will disclose all material facts in the explanatory statement, to be sent to the shareholders in relation to the said Resolution.

4. CONDITIONALITY OF THE SCHEME

The effectiveness of the Scheme is conditional upon and subject to:

- 4.1 The Scheme being approved by the respective requisite majorities of the various classes of Shareholders and creditors of the Companies as required under the Act.
- 4.2 The sanction of Hon'ble High Court of Punjab and Haryana at Chandigarh or to the National Company Law Tribunal (as and when applicable) under Section 391 and 394 of the said Act whether with or

without any modifications and amendments as the High Court or the Tribunal may deem fit, in favor of the Companies and to the necessary Orders under Section 394 of the said Act, being obtained.

- 4.3 The Scheme being submitted to Securities Exchange Board of India.
- 4.4 No Objection Certificate(s) to the Scheme being given by the respective stock exchanges on which the shares of ARL are listed.
- 4.5 Certified copies of the orders of the Court above being filed by the Companies with the Registrar of Companies having jurisdiction over each of such Company.

5. COST, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any, arising out of/or incurred in securing approvals and sanctions for the Scheme and matters incidental thereto shall be borne and paid by ARAPL and/or ARL. However the cost, charges, fees, duties and expenses payable to the Exchanges and to the Ministry of Corporate Affairs pertaining to the share capital of TPDPL and/or ARGL, shall be borne and payable by TPDPL and ARGL respectively.

6. REPEALS AND SAVINGS

Any matter filed with Registrar of Companies, Regional Director, Income Tax authority or the Central Government under the Companies Act, 1956, before the notification of the corresponding provisions under the Companies Act 2013 and not fully addressed at that time shall be concluded by the Registrar of Companies, Regional Director Income Tax authority or the Central Government, as the case may be, in terms of the Companies Act, 1956. Any



direction or order given by the Hon'ble High Courts under the provisions of the Companies Act, 1956 and any act done by the Company based on such directions or order shall be deemed to be in accordance with and consistent with the provisions of the Companies Act, 2013. Accordingly, the provisions of the Companies Act, 2013, shall not apply to acts done by the Companies as per direction or order of the Hon'ble Courts sanctioning the Scheme.

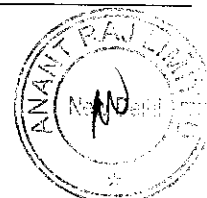
7. APPROVALS/SANCTIONS NOT FORTHCOMING

In the event any of the approvals and sanctions under the Scheme are not obtained, completed or forthcoming, the Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as in contemplated hereunder, or as to any right, liability or obligation which has arisen and accrued pursuant thereto and which shall be preserved or worked out as specifically provided in the Scheme or as may otherwise arise in law.

8. MISCELLANEOUS

8.1 Upon sanction of the Scheme by the Courts and pursuant to occurrence of the last of the dates on which certified copy of the order of High Court of Haryana and Punjab at Chandigarh, or any other appropriate authority sanctioning the Scheme is filed with the relevant Registrar of Companies, as the case may be, the following shall be deemed to have occurred and shall become effective and operative only in the sequence and order mentioned hereunder:

1. The Provisions of Chapter 1 shall take effect;
2. The provisions of Chapter 2 shall take effect, and accordingly, Real Estate Division of ARAPL shall stand demerged and



vested into TPDPL with effect from the Appointed Date as mentioned in Chapter 2

3. The provisions of Chapter 3 shall take effect, and accordingly, ARAPL shall stand amalgamated with and into ARL with effect from the Appointed Date as mentioned in Chapter 3; and
4. The provisions of Chapter 4 shall take effect, and accordingly, Project Division of ARL shall stand demerged and vested into ARGL with effect from the Appointed Date as mentioned in Chapter 4

8.2 Till the event of this Scheme being effective, the Companies shall continue to hold their respective Annual General Meeting and other meetings in accordance with the relevant laws and shall continue to comply with all their statutory obligations in the same manner, as if this scheme does not exist.

SCHEDULE I
LIST OF ASSETS AND LIABILITIES PERTAINING TO REAL ESTATE
DIVISION

Particulars	Amount (Rs.)
ASSETS	
NON CURRENT ASSETS	
Tangible Assets	221,557,544
Capital Work in Progress	509,509,578
Non - Current Investments	5,778,983
Deferred tax Asset	22,800,255
Long Term Loans & Advances	31,595,000
CURRENT ASSETS	
Cash & Bank Balance	106,142



Short term Loans & Advances	1,443,784
Total Assets (A)	792,791,286
LIABILITIES	
Long Term Borrowings	29,437,000
Other Long Term Liabilities	788,127
Long Term Provisions	204,885
CURRENT LIABILITIES	
Other Current Liabilities	7,160,299
Short Term Provisions	1,936,501
Total Liabilities (B)	39,526,812
Net Worth (A) - (B)	753,264,474

SCHEDULE II

LIST OF ASSETS AND LIABILITIES PERTAINING TO PROJECT DIVISION

Particulars	Amount (Rs.)
ASSETS	
NON CURRENT ASSETS	
Tangible Assets	8,714,519,003
Capital Work in Progress	279,843,590
Non Current Investments	1,327,416,895
Long Term Loans & Advances	4,865,188,781
Other Non Current Assets	174,288,536
Total Non Current Assets (A)	15,361,256,805
CURRENT ASSETS	
Inventories	1,772,012,108
Trade Receivables	154,429,039
Cash & Bank Balance	34,074,238



Short term Loans & Advances	445,776,620
Other Current Assets	5,326,987,378
Total Current Assets (B)	7,733,279,384
Total Assets (C) = (A) + (B)	23,094,536,189
LIABILITIES	
NON CURRENT LIABILITES	
Long Term Borrowings	2,153,497,532
Other Long Term Liabilities	19,246,262
Long Term Provisions	2,463,196
Total Non Current Liabilities (D)	2,175,206,990
CURRENT LIABILITES	
Short Term Borrowings	480,065,869
Trade Payables	13,025,221
Other Current Liabilities	3,114,706,326
Short Term Provisions	1,422,132
Total Current Liabilities (E)	3,609,219,548
Total Liabilities (F) = (D) + (E)	5,784,426,538
Net Worth (C) - (F)	17,310,109,651

