

**NOTICE OF MEETING OF THE SECURED CREDITORS OF SRI CITY PRIVATE LIMITED**

**IN THE MATTER OF SCHEME OF ARRANGEMENT (DEMERGER) BETWEEN SRICITY PROJECTS  
PRIVATE LIMITED AND SRI CITY PRIVATE LIMITED**

Day	Date	Time	Venue
<b>Thursday</b>	<b>12-07-2018</b>	<b>10.00 a.m.</b>	No.85, Kutchery Road, Mylapore, Chennai - 600004

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1.	Notice of the Meeting of the Secured Creditors of Sri City Private Limited convened by order of the Hon'ble National Company Law Tribunal, Chennai Bench under the provisions of Sections 230-232 of the Companies Act, 2013 read with Rule 6 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016	
2.	Explanatory statement under Sections 230 (3) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.	
3.	Scheme of Arrangement (Demerger) between <b>SRICITY PROJECTS PRIVATE LIMITED</b> and <b>SRI CITY PRIVATE LIMITED</b>	
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**FORM CAA.2**

(Pursuant to Section 230(3) and Rule 6 & 7)

**CA/108/CAA/CB/2018**

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,**

**CHENNAI BENCH, CHENNAI**

**IN THE MATTER OF SECTIONS 230 TO 240 AND OTHER APPLICABLE PROVISIONS OF**

**THE COMPANIES ACT, 2013**

**AND**

**IN THE MATTER OF SCHEME OF ARRANGEMENT (DEMERGER) BETWEEN SRICITY PROJECTS PRIVATE**

**LIMITED AND SRI CITY PRIVATE LIMITED**

**SRI CITY PRIVATE LIMITED**

A Company incorporated under the Companies Act, 1956,

and having its Registered Office at

No.85, Kutchery Road, Mylapore,

Chennai - 600004

Represented by its Managing Director

**Mr. RAVINDRA BABU SANNAREDDY**

**DIN: 00047652**

**....APPLICANT/ TRANSFEREE COMPANY**

**NOTICE CONVENING THE MEETING OF SECURED CREDITORS**

To

Secured Creditors,  
Sri City Private Limited,  
Chennai,

**NOTICE** is hereby given that by Order dated **8<sup>th</sup> June, 2018**, the Hon'ble National Company Law Tribunal, Chennai Bench, has directed that a **Meeting of Secured Creditors** of the Applicant / Transferee Company be convened for the purpose of considering, and if thought fit, approving with or without modification, **Scheme of Arrangement (Demerger)** between **M/s. SRICITY PROJECTS PRIVATE LIMITED and M/s. SRI CITY PRIVATE LIMITED**.

In pursuance of the said order and as directed therein further notice is hereby given that a meeting of the **Secured Creditors of M/s. SRI CITY PRIVATE LIMITED** will be held on **12-07-2018** at **10.00 a.m.** at **No.85, Kutchery Road, Mylapore, Chennai – 600004** at which time and place the said Secured Creditors are requested to attend.

Copies of the said Scheme of Arrangement (Demerger) and of the statement under section 230 can be obtained free of charge at the registered office of the Company at No.85, Kutchery Road, Mylapore, Chennai – 600004. Persons entitled to attend and vote at the meeting, may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the registered office of the Company at No.85, Kutchery Road, Mylapore, Chennai – 600004, not later than 48 hours before the meeting.

The Hon'ble National Company Law Tribunal, Chennai bench has appointed Mr. S.Ravindra Babu (Managing Director), alternatively, Mr. D. Sudhakar Reddy (Director) alternatively, Mr.P.Mukunda Reddy(Director) and Mr Mr. R. Nagarajan (Chief Financial Officer) as the Chairman of the meeting of the Secured Creditors. The above mentioned Scheme of Arrangement (Demerger), if approved by the meeting, will be subject to the subsequent approval of the Tribunal.

Dated at Chennai this 11<sup>th</sup> day of June 2018.

**P. MUKUNDA REDDY**

**CHAIRMAN APPOINTED FOR MEETING**

**REGISTERED ADDRESS:**

No.85, Kutchery Road, Mylapore,  
Chennai – 600004

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

CHENNAI BENCH, CHENNAI

IN THE MATTER OF SECTIONS 230 TO 240 AND OTHER APPLICABLE PROVISIONS OF

THE COMPANIES ACT, 2013

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT (DEMERGER) BETWEEN SRICITY PROJECTS PRIVATE LIMITED AND SRI CITY PRIVATE LIMITED

**SRI CITY PRIVATE LIMITED**

A Company incorporated under the Companies Act, 1956,

and having its Registered Office at

No.85, Kutchery Road, Mylapore,

Chennai - 600004

Represented by its Managing Director

**Mr. RAVINDRA BABU SANNAREDDY**

**DIN: 00047652**

....APPLICANT/ TRANSFEREE COMPANY

**EXPLANATORY STATEMENT UNDER SECTION 230(3) OF THE COMPANIES ACT, 2013 AND RULES 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

1. By order dated **8<sup>th</sup> June,2018**, made by the National Company Law Tribunal, Chennai Bench, in **Company Application CA/107/CAA/CB/2018**, the National Company Law Tribunal, Chennai Bench had dispensed with the convening, holding and conducting a meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Sricity Projects Private Limited ( Transferor Company ) for the purpose of considering and approving, the Scheme of Arrangement.
2. **SRI CITY PRIVATE LIMITED**, the Transferee Company had filed Application with the National Company Law Tribunal, Chennai Bench, to order for convening, holding and conducting a meeting of the equity shareholders, secured creditors and unsecured creditors of the Transferee Company for the purpose of considering and approving, the Scheme of Arrangement. Accordingly the National Company Law Tribunal, Chennai Bench under Application **CA/108/CAA/CB/2018** vide order dated **8<sup>th</sup> June,2018** had directed convening of meeting of Secured Creditors of the Transferee Company.
3. In this Statement, SRICITY PROJECTS PRIVATE LIMITED herein after referred to as "Demerged Company or Transferor Company" and SRI CITY PRIVATE LIMITED is hereinafter referred to as "Resultant Company or Transferee Company".
4. SRICITY PROJECTS PRIVATE LIMITED was incorporated in Chennai in the State of Tamil Nadu on **18<sup>th</sup> December, 2008**. The Certificate of Incorporation No. of this Company is U45209TN2008PTC070212, Permanent Account Number AANCS3891. There is no change in the status of the Company.
5. The Registered office of the above Transferor Company is situated at No.85, Kutchery Road, Mylapore, Chennai – 600004.
6. The Authorised Share Capital of the Transferor Company as on 31.03.2016 is Rs. 7,00,00,000/- divided into 70,00,000 Equity Shares of Rs. 10/- each. The issued, subscribed and paid up capital of the Applicant Company as on 31st March 2016 is Rs. 6,50,00,000/- divided into 65,00,000 Equity Shares of Rs.10/- each.
7. **SRICITY PROJECTS PRIVATE LIMITED** was incorporated inter alia:
  - a. ***To carry on the business of civil, mechanical, electrical, interiors and/or labour contracts to governments, quasi governments, public sector undertakings, private sector under takings, non profit organizations, trusts, societies and/or to others. To carry on the business of supply of***

*required materials either manufactured and / or raw materials for the contracts mentioned above and/or also for the similar contracts carried out by outsiders.*

- b. To carry on the business of rendering project management consultancy services to the clients of the company and/or also to outsiders.*
- c. To carry on the business of operation and management (O & M) of constructed facilities and/or projects executed by the company and/or also executed by outsiders.*
- d. To carry on the business of promotion and sale of residential flats, commercial flats, independent houses, villas, commercial complexes, residential colonies and/or buildings.*
- e. To carry on the business or businesses to buy, purchase, acquire, underwrite and/or to invest in, hold shares, stocks, debentures, debenture stock, bonds, obligation or securities of Companies or partnership firms or body corporates or any other entities whether in India or elsewhere either singly or jointly with any other person(s), body corporate or partnership firm or any other entity carrying out or proposing to carry out any activity whether in India or elsewhere in above said or in any manner;*

8. **SRI CITY PRIVATE LIMITED** [Transferee Company] was incorporated in Chennai in the State of Tamil Nadu on 27<sup>th</sup> September, 2005 under the Certificate of Incorporation No U45201TN2005PTC057627, Permanent Account Number AAJCS8887M. There is no change in status of the company.

9. The Registered office of the above Transferee Company is situated at 85, Kutcheri Road, Mylapore, Chennai – 600004.

10. The Authorised Share Capital of the Transferee Company as on 31.03.2016 is Rs. 25,00,00,000/- divided into 2,50,00,000 Equity Shares of Rs. 10/- each. The issued, subscribed and paid up capital of the Applicant Company as on 31st March 2016 is Rs. 21,52,94,140/- divided into 2,15,29,414 Equity Shares of Rs.10/- each.

11. **SRI CITY PRIVATE LIMITED** was mainly incorporated inter alia:

- a. To carry on the business of establish, build, maintain, operate, own, lease out and / or sell, townships, housing colonies, information technology parks and / or industrial estates, developing / operating / maintaining single product / multi-sector / multi-product Special Economic Zone (“SEZ”) and Domestic Tariff Area (“DTA”).*
- b. To carry on the business of, establish, build, operate, own and/or transfer roads, bridges, flyovers and/or power projects.*
- c. To carry on the business of, establish, build, operate, maintain, own, lease out and/or sell hotels, motels, schools, colleges, theme parks, re-creational facilities and/or any other infrastructure related projects.*

12. Details of Promoters of Transferor Company & Transferee Company

**Transferor Company ( SRICITY PROJECTS PRIVATE LIMITED)**

SL NO	NAME OF THE PROMOTERS	ADDRESS
1	<b>SRI CITY PRIVATE LIMITED</b>	NO.85, KUTCHERY ROAD, MYLAPORE, CHENNAI - 600004 TN

**Transferee Company ( SRI CITY PRIVATE LIMITED)**

SL NO	NAME OF THE PROMOTERS	ADDRESS
1	<b>MR. S. RAVINDRABABU</b>	Old No.9, New No.4, 24th Cross Street Indira Nagar, Adyar, Chennai – 600020 Tamil Nadu
2	<b>M/s. S. RAVINDRABABU HUF</b>	New No.4, Old No.9, 24th Cross Street, Indira Nagar, Adyar, Chennai – 600 020 Tamil Nadu
3	<b>M/s. CHINTALAPATI HOLDINGS PRIVATE LIMITED</b>	Building 3, Ilabs Centre, Plot No.18, Software Units Layout, Madhapur, Hyderabad- 500081 TG

13. List of Directors as on 31.03.2017 of Transferor Company & Transferee Company are as follows.

**Transferor Company**

Name of Directors	Address	Designation	Date of Appointment
MR. RAVINDRA BABU SANNAREDDY	Old No.9, New No.4,24th Cross Street, Indira Nagar, Adyar, Chennai 600020	Director	21/10/2011
MR. RAGHAVAN NAGARAJAN	P-2, Block-2, 150, L.B.Road, Thiruvanmiyur, Chennai 600041	Director	21/10/2011

**Transferee Company**

Name of Directors	Address	Designation	Date of Appointment
MR. RAVINDRA BABU SANNAREDDY	Old No.9, New No.4,24th Cross Street Indira Nagar, Adyar Chennai 600020	Managing Director	27/09/2005
MR. SUDHAKAR REDDY DUVVUR	P4C2A, LA CELESTE, RAJARAJESWARI NAGAR NETHAJI STREET, MADANANDAPURAM, PORUR, CHENNAI 600116	Director	07/03/2006
MR. SRINIVASARAJU CHINTALAPATI	PLOT NO.1317 ROAD NO.66, JUBILEE HILLS HYDERABAD 500033	Director	01/09/2007
MR. POCHAREDDY MUKUNDA REDDY	FLAT NO.E5, DIVYAM APARTMENTS NO.47, ERI SCHEME ROAD, MOGAPPAIRE WEST CHENNAI 600058	Director	01/03/2007
MR. ZOLTAN VARGA	FLAT D, GRD/F 84 PEAK RD, THE PEAK Hong Kong NA HK	Director	21/10/2009

14. The Board of Directors of SRICITY PROJECTS PRIVATE LIMITED in their Board meeting held on 07.03.2018, and SRI CITY PRIVATE LIMITED in their Board Meeting held on 07.03.2018, have approved and adopted the proposed Scheme of Arrangement respectively and none of the Directors opposed the same.
15. **Appointed Date** means the date from which this Scheme shall become operative viz 1<sup>st</sup> April, 2016 or if the Board of Directors of the Transferor Company and the Transferee Company require any other date prior or subsequent to 01<sup>st</sup> April, 2016 and/or the Tribunal modifies the Appointed Date to such other date, then the same shall be the Appointed Date.
16. **Effective Date** means the last of the dates on which the Orders of the Tribunal sanctioning the Scheme of Arrangement (Demerger) are filed by SRICITY PROJECTS PRIVATE LIMITED and SRI CITY PRIVATE LIMITED with the Registrar of Companies, Chennai. Any references in this Scheme to the date of “coming into effect of the Scheme” or “effectiveness of this Scheme” or “Scheme taking effect” shall mean the Effective Date.
17. **Share Exchange Ratio** : The Demerged Company is a wholly owned subsidiary of the Resulting Company and its entire share capital is held by the Resulting Company in its own name and/or jointly with its nominee. Accordingly, there would be no issue of shares of the Resulting Company to the shareholders of the Demerged Company towards consideration for the demerger, transfer and vesting of the Demerged Undertaking by the Demerged Company into the Resulting Company..

18. **THE SALIENT FEATURES OF THE SCHEME ARE AS FOLLOWS:**

(a) With effect from the Appointed Date, the whole of the Demerged Undertaking of the Demerged Company comprising their entire business, all assets and liabilities of what so ever nature and wheresoever situated, including the immovable properties, if any, shall, under the provisions of Section 230 to 240 of the Act without any further act or deed (save as provided in sub-clauses (b),(c) and (d) below), be transferred to and vested in and/or to deemed transferred to and vested in the Resulting Company as a going concern so as to become, as from the Appointed Date, the Demerged Undertaking of the Resulting Company and to vest in the Resulting Company all the rights, title, interest or obligations of the Demerged Company therein.

Provide that for the purpose of giving effect to the confirmation order passed under the section 230 read with Section 232 of the Act in respect of this Scheme, the Resulting Company shall at any time pursuant to the orders on this Scheme be entitled to get the recordal of the change in the title and the appurtenant legal right(s) upon the vesting of such assets of the Demerged Undertaking of Demerged Company, at the office of the Respective Registrar of Assurances or any other concerned Authority, where any such property is situated.

(b) All the movables including cash in hand, if any, of the Demerged Undertaking capable of passing by manual delivery, shall be so delivered or endorsed as the case may be, to the Resulting Company; on a date mutually agreed upon between the Board of Directors of the Demerged Company and the Resulting Company.

(c) In respect of movables of the Demerged Undertaking other than those specified in the sub-clause (b) above, including sundry debtors, outstanding loans, and advances, if any, recoverable in cash or in kind or for a value to be received, bank balances and deposits, if any with government, semi-government, local and other authorities and bodies and customers and other persons pertaining to the Demerged Undertaking, the following modus operandi for intimating to third parties shall to the extent possible to be followed:

(i) The Demerged Company may give notice in such form as it may deem fit and proper, to each person, party, debtor, loanee or depositee as the case may be, belonging to or related to the Demerged Undertaking, the said debt, loan, advances, bank balances or deposits be paid or made good or held on account of the Resulting Company as the person entitled thereto the end and intent that the right Demerged Company to recover realize the same stands extinguished and that appropriate entry should be passed in its books to record the aforesaid change

(ii) The Resulting Company may also give a notice in such form as it may deem fit and proper to each person, debtor, loanee or depositee, as the case may be, belonging to the Demerged Undertaking, the said debt, loan or deposit be paid or made good or held on account of the Resulting Company and that the right if the Demerged Company or realize the same stands extinguished.

(d) In relation to other assets belonging to Demerged Undertaking, which require separate documents for transfer, or which the Demerged Company and/or the Resulting Company otherwise desire to be transferred separately, the Demerged Company and the Resulting Company each will execute such deeds, documents or such other instruments or writings or create evidence, if any, as may be necessary.

(e) In respect of such of the said assets and liabilities other than those referred to in 5.1(a) to (d) above, the same shall, without any further act, instrument or deed be transferred to, and vested in, and/or deemed to be transferred to and vested in, the Resulting Company.

## 5.2 With effect from the Appointed Date

(a) All debts, liabilities, contingent liabilities, duties, and obligations of every kind, nature and description attributable to the Demerged Undertaking shall, without any further act or deed, be transferred to, or be deemed to be transferred to the Resulting Company so as to become from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and the Resulting Company undertakes to meet, discharge and the satisfy the same.

(b) Where any of the liabilities and obligations attributed to the Demerged Undertaking on the Appointed Date has been discharged by the Demerged Company on behalf of the Demerged Undertaking after the Appointed Date and prior the Sanction date, such discharge shall be deemed to have been for and on behalf of the Resulting Company.

(c) All liabilities and obligations attributed to the Demerged Undertaking, including its unsecured loans taken over by the Resulting Company may be discharged by the Resulting Company by way of one time settlement or in any other manner as the Resulting Company may deem fit

(d) All loans raised and used, and liabilities incurred, if any, by the Demerged Company after the Appointed Date, but prior to the Sanction date, for the operations of the Demerged Undertaking shall be discharged by the Resulting Company.

(e) The transfer and vesting of the Demerged Undertaking as aforesaid, shall be subject to the existing securities, charges hypothecation and mortgages, if any, subsisting in relation to any loans or borrowings of the Demerged Undertaking, provided however, any reference in security documents or arrangements, to which the Demerged Company is a party, wherein the assets of the Demerged Undertaking have been or are offered or agreed to be offered as a security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Demerged Undertaking as are vested in the case of Resulting Company by virtue of this Scheme, to the end and intent such security, charge, hypothecation and mortgage shall not extend or be deemed to extend, to any of the other assets of the Demerged Company or any of the assets of the Resulting Company, provided further that the securities, charges, hypothecation and mortgages (if subsisting) over and in respect of the assets or any part thereof of the Resulting Company shall continue with respect to such assets or part thereof and this scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages shall not extend to deemed or extend, to any of the assets of the Demerged Undertaking vested in the Resulting Company, provided always that this Scheme shall not enlarge to operate to enlarge such security for any loan, deposit or facility created by the Demerged Company in relation to the Demerged Undertaking which shall vest in the Resulting Company by virtue of vesting of the Demerged Undertaking with the Resulting Company and the Resulting Company shall not be obliged to create any further or additional security therefore after the Scheme has become operative.

(f) All the loans, advances and other facilities sanctioned to the Demerged Company in relation to the Demerged Undertaking by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to the Resulting Company and the said the loans and advances shall be drawn and utilized either partly or fully by the Demerged Company from the Appointed Date till sanction date and all the loans, advances and other facilities so drawn by the Resulting Company in relation to Demerged Undertaking (within the overall limits sanctioned by their bankers and financial institutions) shall on the Sanction date be treated as loans, advances and other facilities made available to the Resulting Company and all the obligations of the Demerged Company in relation to the Demerged Undertaking under any loan agreement



shall be construed and shall become the obligation of the Resulting Company without any further act or deed on the part of the Resulting Company.

(g) Any existing encumbrances over the assets and properties of the Resulting Company or any part thereof which relate to the liabilities and obligations of the Resulting Company prior to Sanction date shall continue to relate only to such assets and properties shall not extend to attach to any of the assets and properties of the Demerged Undertaking transferred to and vested in the Resulting Company by virtue of this Scheme.

19. Upon the coming into effect of this Scheme:

(a) All employees of the Transferor Companies as on the Effective Date shall as from such date, become employees of the Transferee Company in such position, rank and designation as may be determined by the Transferee Company with the benefit of continuity of service and such that the terms and conditions of their employment with the Transferee Company are not less favorable than those applicable to them as employees of the Transferor Companies on such date. With regard to provident fund, gratuity fund, or any other special fund created or existing for the benefit of such employees of the Transferor Companies, from the Effective Date the Transferee Company shall stand substituted for the Transferor Companies for all purposes whatsoever in relation to the administration or operation of such fund or funds and the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds or other documents provided that if the Transferee Company considers it desirable for the smooth administration, management, operation and uniformity of such funds, the same may be merged with similar funds of the Transferee Company. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Companies in relation to such schemes or funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Companies will be treated as having been continuous for the purpose of the aforesaid schemes, funds and trusts.

The Transferee Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into by the Transferor Companies with any employees of the respective companies. The Transferee Company agrees that for the purpose of payment of any retrenchment, compensation, gratuity and other terminal benefits, the past services of such employees with the Transferor Companies shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

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

a. With effect from the Appointed Date, the Demerged Company shall carry on and be deemed to have carried on its business and activities relating to Demerged Undertaking and shall stand possessed of all its assets and properties referred to above, in trust for the Resulting Company and shall account for the same to the Resulting Company. The Demerged Company shall hold the said assets with utmost prudence until Sanction Date.

b. Any income or profit accruing or arising to the Demerged Company, and all costs, charges, expenses and losses or taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax paid, indirect taxes paid, taxes withheld/paid in a foreign country etc.) incurred by the Demerged Company, relating to the Demerged Undertaking, shall for all the purposes be treated as the income, profits, costs, charges, expenses and losses or taxes, as the case may be of the Resulting Company and shall be available to the Resulting Company for being disposed off in any manner as it thinks fit.

## **21. ACCOUNTING TREATMENT**

a. The Demerged Company shall, upon the Scheme being Sanctioned, record the deletion of the assets and liabilities of the Demerged Undertaking transferred to and vested in Resulting Company pursuant to this Scheme at their respective book values as appearing in its books of accounts as at the close of its business of the day immediately preceding the Appointed Date.

b. Loans and advances and other dues outstanding between the Demerged Company and the Resulting Company related to Demerged Undertaking will stand cancelled and there shall be no further obligation/outstanding in that behalf.

c. The difference between the book value of the assets and the book value of the liabilities of the Demerged Undertaking that is transferred to the Resulting Company pursuant to Scheme would be adjusted to the opening balance of the profit and loss account of the Demerged Company.

#### **Treatment in the books of the Resulting Company**

a. The Resulting Company shall, upon the Scheme being Sanctioned, record the assets and liabilities of the Demerged Undertaking, transferred to and vested in it pursuant to this Scheme, at their respective book values excluding revaluation impact, if any, as appearing in the books of the Demerged Company as at the close of business of the day immediately preceding the Appointed Date. In addition, the Resulting Company shall pass such accounting entries, as may be necessary, in connection with the scheme, to comply with the applicable accounting standards.

b. Loans and advances and other dues outstanding between the Demerged Company and the Resulting Company relating to the Demerged Undertaking will stand cancelled and there shall be no further obligation/outstanding in that behalf.

c. Excess, if any, of the book value of assets over the book value of liabilities of the Demerged Undertaking transferred from Demerged Company and recorded by the Resulting Company as above shall be credited Capital Reserve Account of the Resulting Company. Deficit, if any, shall be adjusted to the opening balance of the profit and loss account of the Resulting Company.

d. If considered appropriate for the purpose of application of uniform accounting method and policies between the Demerged Company and the Resulting Company, the Resulting Company may make suitable adjustments and adjust the effect thereof in general reserve account of the Resulting Company.

## **22. ISSUE OF EQUITY SHARES BY THE TRANSFEREE COMPANY**

a. The Demerged Company is a wholly owned subsidiary of the Resulting Company and its entire share capital is held by the Resulting Company in its own name and/or jointly with its nominee. Accordingly, there would be no issue of shares of the Resulting Company to the shareholders of the Demerged Company towards consideration for the demerger, transfer and vesting of the Demerged Undertaking by the Demerged Company into the Resulting Company.

b. The approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company under Section 230 read with Section 232 of the Act shall be deemed to have the approval under the applicable provisions of the Act and any other consents and approvals required under this regard

## **GENERAL TERMS AND CONDITIONS APPLICABLE TO THE ENTIRE SCHEME**

### **23. MODIFICATIONS / AMENDMENTS TO THE SCHEME**

a. The Demerged Company and the Resulting Company through their respective Boards of Directors including Committees of Directors or other persons, duly authorized by the respective Boards in this regard, may make, or assent to, any alteration or modification to this Scheme or to any conditions or limitations, which the Central Government or any other Competent Authority may deem fit to direct, approve or impose any may give such directions, to settle any doubt, question or difficulty, arising under the Scheme or in this regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary matters and things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions of this scheme and if necessary to waive those (to the extent permitted under the law) for bringing this Scheme into operation.

b. If any part or provision of this Scheme hereof is invalid ruled illegal by the Central Government of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such Part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part or provision, as the case may be, shall cause this scheme to become materially adverse in the party, in which case the Parties shall attempt to bring about a modification if the scheme, as will best preserve for the parties the benefits and obligations of the scheme, including but not limited to such Part or provision.

## **SCHEME CONDITIONAL UPON**

This Scheme is conditional upon the following approvals / events and the Scheme shall be deemed to be effective on obtaining last of the following approvals and the occurrence of the last of the following events:

- a. The approval of the Scheme by the requisite majority of the members of the Transferor and Transferee Companies respectively as required under Section 230 read with 232 of the Companies Act, 2013;
- b. The approval of the Scheme by the requisite majority of the creditors of the Transferor and Transferee Companies respectively;
- c. The sanction of the Scheme by the National Company Law Tribunal under Sections 230 to 240 of the Companies Act, 2013 and other applicable provisions of the Act, Rules and Regulations;
- d. Certified copies of the National Company Law Tribunal orders being filed with the Registrar of Companies concerned by the respective companies. The Scheme shall become operative on the date or the last of the dates on which the certified copies of the orders of the Court sanctioning the Scheme are filed by the Transferor Company and the Transferee Company with the respective Registrar of Companies and such date shall be known as the Effective Date.
- e. Compliance with such other conditions as may be imposed by the National Company Law Tribunal.

## **COSTS, CHARGES AND EXPENSES**

24. All costs charges levies fees duties and expenses of the Demerged Companies and the Resulting Company respectively in relation to or in connection with negotiation leading up to the Scheme and of carrying out and completing the terms and provisions of this Scheme shall be borne and paid by the Resulting Company.

## **SANCTION AND APPROVALS NOT FORTHCOMING**

25. In the event of this Scheme failing to take effect as may be agreed by the respective Boards of Directors of the Transferor Company and the Transferee Company, this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case each Company shall bear its own costs or as may be mutually agreed.
26. Save and except in respect of any act or deed done prior thereto as is contemplated hereunder, or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law, the Scheme shall stand revoked, cancelled and be of no effect if the events or sanctions and approvals referred to in Part IV, clause 17 have not occurred.
27. The Demerger, Transfer and Vesting of the Demerged Undertaking will enable pooling of resources of the Demerged Company with the resources of the Resulting Company resulting in more productive utilization of said resources, and cost and operational efficiencies which would be beneficial to all the stakeholders.
28. The Demerger, transfer and vesting of the Demerged Undertaking will enable the Resulting Company to focus on the said business as one of its core activities thereby resulting in better strategic, operational and administrative efficiency.
29. The Demerged Company is a wholly owned subsidiary of the Resulting Company and the Demerger will result in direct control of assets of the Demerged Company in the hands of Resulting Company.
30. The Demerger, transfer and vesting of the Demerged Undertaking will also enable smoother implementation of policy changes at a higher level from a management perspective and shall also help enhance the efficiency and control of the entities.

31. There is no likelihood that the interest of any shareholder or creditor of either the Demerged Company or the Resulting Company would be prejudiced as a result of the Scheme. The demerger, transfer and vesting of the Demerged Undertaking will not impose any additional burden on the members of the Demerged Company or the Resulting Company.
32. The Scheme would not be prejudicial to the interests of the Creditors of the Company.
33. There are total 18 Equity Shareholders for the Transferee Company SRI CITY PRIVATE LIMITED. The Company had filed application with National Company Law Tribunal, Chennai Bench, Chennai for ordering for holding, convening and conducting the meeting of Equity Shareholders of the company. Accordingly the National Company Law Tribunal, Chennai Bench under Application **CA/108/CAA/CB/2018** vide order dated **8<sup>th</sup> June, 2018** had directed convening of meeting of Equity Shareholders of the Transferee Company.
34. Amount due to Secured Creditors of SRICITY PROJECTS PRIVATE LIMITED as on 15.03.2018 is NIL and accordingly meeting of Secured Creditors has been dispensed with by the National Company Law Tribunal, Chennai Bench, Chennai vide order dated **8<sup>th</sup> June, 2018 in CA/107/CAA/CB/2018** and Amount due to unsecured creditors as on 15.03.2018 is Rs.37,50,08,790/-. The Company has obtained consent from more than 90% of the unsecured Creditors and the meeting of unsecured creditors has been dispensed with by the National Company Law Tribunal, Chennai Bench, Chennai vide order dated **8<sup>th</sup> June, 2018 in CA/107/CAA/CB/2018**. The company has obtained consent of its Equity Shareholders and accordingly meeting of Equity shareholders has been dispensed with by the National Company Law Tribunal, Chennai Bench, Chennai vide order dated **8<sup>th</sup> June, 2018 in CA/107/CAA/CB/2018**.
35. Amount due to Secured creditors of SRI CITY PRIVATE LIMITED as on 15.03.2018 is Rs. 1,89,18,41,524/-. The Company has filed application with National Company Law Tribunal, Chennai Bench, Chennai for ordering for holding, convening and conducting the meeting of secured creditors of the company. Accordingly the National Company Law Tribunal, Chennai Bench under Application **CA/108/CAA/CB/2018** vide order dated **8<sup>th</sup> June, 2018** had directed convening of meeting of Secured Creditors of the Transferee Company.
36. Amount due to Unsecured creditors of SRI CITY PRIVATE LIMITED as on 15.03.2018 is Rs. 28,87,41,700/-. The Company had filed application with National Company Law Tribunal, Chennai Bench, Chennai for ordering for holding, convening and conducting the meeting of Unsecured Creditors of the company. Accordingly, National Company Law Tribunal, Chennai Bench under Application **CA/107/CAA/CB/2018** and **CA/108/CAA/CB/2018** vide order dated **8<sup>th</sup> June, 2018** had directed convening of meeting of unsecured creditors of the Transferee Company.
37. The Resolution proposed to be considered in the above meeting, is given hereunder:
- “RESOLVED THAT** the Scheme of Arrangement (Demerger) between SRICITY PROJECTS PRIVATE LIMITED and SRI CITY PRIVATE LIMITED, placed before the meeting and initialled by the Chairman for the purpose of identification, be and is hereby approved by the Secured creditors of SRI CITY PRIVATE LIMITED”.
- “RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorised to make and / or consent to any modifications, alterations or amendments in the scheme, which are desired, directed or imposed by the National Company Law Tribunal, Chennai Bench, and to take all such steps as may be necessary and desirable to implement the Scheme and to give effect to this resolution.”
38. None of the Directors, promoters, creditors and employee of Transferor Companies and Transferee Company shall be affected as a result of proposed scheme of Arrangement.
39. The company does not have non promoter members, depositors, debenture holders, deposit trustee and debenture trustee.
40. The Directors of the Transferor Company and Transferee Companies are of the opinion that there is no likelihood that interest of any shareholder, directors, promoters, employee or creditor of the Transferor Company and Transferee Companies would be prejudiced as a result of the scheme. The Arrangement (Demerger) will not impose any additional burden on the members of the Transferee Company.
41. There are no contracts or agreements which are material to the proposed scheme of Arrangement.

42. Other regulatory approvals or sanctions are not applicable in relation to proposed scheme of Arrangement.
43. The companies submit that there are no proceedings pending under Sections 206 to 229 of the Companies Act, 2013 against the Transferor Company/ Transferee Company.

**The following documents will be open for obtaining extract or for making or obtaining copies of or for inspection at the Registered Office of the Applicant Company between 10.00 A.M to 05.00 P.M on any working day of the Applicant Company except Saturday and Sunday upto the date of the next hearing:**

1. The Balance Sheet and Profit and Loss Account of SRICITY PROJECTS PRIVATE LIMITED and SRI CITY PRIVATE LIMITED for the year ended 31<sup>st</sup> March 2016;
2. Copy of the Board resolutions dated 07.03.2018 passed by all the Companies approving the Scheme of Arrangement.
3. Proposed Scheme of Arrangement.
4. Register of Directors' shareholdings of the Transferor and Transferee Companies.
5. Copy of the Order dated **8<sup>th</sup> June,2018** passed by the National Company Law Tribunal, Chennai Bench, Chennai.
6. The certificate issued by Auditor for the Companies to the effect that the accounting treatment, if any, proposed in the scheme of Arrangement is in conformity with the Accounting Standards prescribed under section 133 of the Companies Act, 2013.

**For SRI CITY PRIVATE LIMITED**

**P. MUKUNDA REDDY  
CHAIRMAN APPOINTED FOR THE MEETING**

**SCHEME OF ARRANGEMENT (DEMERGER)**  
**BETWEEN**  
**SRICITY PROJECTS PRIVATE LIMITED (DEMERGED COMPANY)**  
**AND**  
**SRI CITY PRIVATE LIMITED (RESULTING COMPANY)**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS & CREDITORS**  
**UNDER SECTION 230 TO 240 OF THE COMPANIES ACT, 2013**

The Scheme of arrangement is divided into the following parts:

1. **Part I** deals with Preamble and Rationale
2. **Part II** deals with Definitions and Share Capital
3. **Part III** deals with Transfer and Vesting of construction business division of the Demerged Company with Resulting Company
4. **Part IV** deals with remaining business of Demerged Company
5. **Part V** deals with General Terms and Conditions

Part III, Part IV and Part V shall be given effect to chronologically in the same order as set out above.

**PART-1 PREAMBLE AND RATIONALE**

**1. PREAMBLE**

1.1 The Scheme of Arrangement (Demerger) has been formulated and presented under Section 230 to 240 of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification of re-enactment thereof, for the time being in force) "the Act" between **Sricity Projects Private Limited** and **Sri City Private Limited**.

1.2 **Sricity Projects Private Limited** (hereinafter referred to as "**SPPL**" or "**Demerged Company**" or "**Transferor Company**") was incorporated as a Private Limited on the 18th of December 2008 under the Companies Act 1956 and was formerly known as "**Sricity Pipe Factory Pipe Private Limited**". The name of Demerged Company was changed from "**Sricity Pipe Factory Pipe Factory Limited**" to "**Sricity Projects Private Limited**" on 10th October 2011. The Corporate Identity Number of the Demerged Company is **U45209TN2008PTC070212**. The registered office of the Company is situated at No. 85, Kutchery Road, Mylapore, Chennai –600004.

The Demerged Company has been incorporated to carry on the business of civil, mechanical electrical, investors, interiors and/or labour contracts to governments, quasi governments, public sector undertakings, private sector undertakings, non-profit organizations, trusts, societies and/or to others and also to carry on the business of supply of required materials of the contact mentioned above and/or raw materials for the contracts mentioned above and/or also similar contracts carried out by outsiders as well as invest money(s) of the Company in such investment or securities as may seem expedient.

1.3 **Sri City Private Limited** (hereinafter referred to as "**SCPL**" or "**Resulting Company**" or "**Transferee Company**") was incorporated as a private limited company on the 27th of September 2005 under the Companies Act and was formerly known as "**Sathyavedu Reserve Infracity Private Limited**" to "**Sri City Private Limited**" with the effect from 19th June 2007. The Corporate Identity Number of the Resulting Company is **U45201TN2005PTC057627**. The Registered Office of the Company is at No. 85, Kutchery Road, Mylapore, Chennai -600004. The Resulting Company is engaged in developing a Multi-product Special Economic Zone and Domestic Tariff Zone in the State of Andhra Pradesh (hereinafter referred to as the "Business of the Resulting Company"). The Resulting Company obtained approval from the Government of India vide later dated 25 June 2007 for developing, operating and maintaining the Multi product SEZ and Domestic Tariff Zone in terms of the Special Economic Zone Act, 2005 and the rules made thereunder.

## 2. RATIONALE

- 2.1 The Demerger, Transfer and Vesting of the Demerged Undertaking will enable pooling of resources of the Demerged Company with the resources of the Resulting Company resulting in more productive utilization of said resources, and cost and operational efficiencies which would be beneficial to all the stakeholders.
- 2.2 The Demerger, transfer and vesting of the Demerged Undertaking will enable the Resulting Company to focus on the said business as one of its core activities thereby resulting in better strategic, operational and administrative efficiency.
- 2.3 The Demerged Company is a wholly owned subsidiary of the Resulting Company and the Demerger will result in direct control of assets of the Demerged Company in the hands of Resulting Company.
- 2.4 The Demerger, transfer and vesting of the Demerged Undertaking will also enable smoother implementation of policy changes at a higher level from a management perspective and shall also help enhance the efficiency and control of the entities.
- 2.5 There is no likelihood that the interest of any shareholder or creditor of either the Demerged Company or the Resulting Company would be prejudiced as a result of the Scheme. The demerger, transfer and vesting of the Demerged Undertaking will not impose any additional burden on the members of the Demerged Company or the Resulting Company.

This Scheme of Arrangement (Demerger) pursuant to the Sections 230 to 240 and other relevant provision of the Companies Act, 2013 in the manner provided for in this scheme is in compliance with provisions of Section 2 (19AA) of the Income Tax Act, 1961 also. The scheme of Arrangement provides for:

- i. Demerger of Construction business division of Sricity Projects Private Limited and vesting with Sri City Private Limited.
- ii. Various other matters consequential, incidental or otherwise and integrally connected herewith.

## PART-II-DEFINITIONS AND SHARE CAPITAL

### 3. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following shall have the under meanings as provided therein:

- 3.1 "**Act**" means the Companies Act, 2013 and the rules made thereunder and as may be applicable.
- 3.2 "**Appointed Date**" means the date from which this scheme shall become operative viz; 1 April, 2016.
- 3.3 "**Board of Directors**" or "**Board**" means the Board of Directors or any committee thereof of the Demerged Company or the Resulting Company, as the Resulting Company, as the context requires.
- 3.4 "**Book Value**" shall, for the purpose of this Scheme, mean the value(s) of the assets and liabilities of the Demerged Undertaking as appearing in the books of accounts of the Demerged Company (i.e. SPPL), at the close of the business as on the day immediately preceding the Appointed Date and excluding any value arising out of revaluation.
- 3.5 "**Central Government**" means the Regional Director (Southern Region) in the Ministry of Corporate Affairs.
- 3.6 "**Demerged Company**" or "**SPPL**" means the Sricity Projects Private Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at No. 85, Kutchery Road, Mylapore, Chennai – 600004.
- 3.7 "**Demerged Undertaking**" means the construction business division of the Demerged Company (comprising of the assets and liabilities as more fully described under **Schedule I**), collectively, as a going concern and shall include:
- a. all assets, whether movable or immovable, current assets, inventories, receivables, cash balances, bank balances with inland and overseas banks, earnest moneys, deposits with agents, customers and third parties, advances, consents, registrations, authorities, allotments, approvals, contracts, engagements, arrangements, title, interest, benefits, telephones, telexes, facsimile, internet connections, leased lines, electrical connections, certificates from international bodies, contracts, rights and benefits under insurance policies, claims, advantages of whatsoever nature and where-so-ever situated, trademarks, patents, copyrights, privileges, goodwill and all other rights including lease rights, licenses, powers and facilities of every kind, nature and description whatsoever appertaining/allocated to the said division by the Demerged Company as on the Appointed Date as per records of the Demerged Company.

b. All necessary records, files, papers, engineering and process information, computer programs data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customer pricing information and other records in connection with or relating to the business.

c. All liabilities including rupee loans, contingent liabilities debts, current liabilities and provisions, duties and obligations, appertaining/allocated to Resulting Company in connection with or relating to the business on the Appointed Date.

d. Without prejudice to the generality of sub-clauses (a) to (c) above, the Demerged Undertaking of the Demerged Company shall include all assets and properties, whether movable or immovable, real or personal, fixed assets, in possession or reversion, corporeal or incorporeal, tangible or intangible, present assets.

stock, claims, powers, authorities, allotments, approvals, registrations, contracts, engagements, arrangements, rights, titles, interest, benefits, advantages, lease-hold rights, tenancy rights, permits, authorizations, quota rights, trademarks, copyrights, patents and intellectual properties, provisions, funds, import quotas, import licenses, industrial designs, labels, label designs, equipment and installations and utilities, electricity, water and other service connections, records, files, employees, benefits of agreements, contracts and arrangements, powers, authorities, balances with all regulatory authorities, liberties, advantages, easements and all the right, title, interest, goodwill, reserves, provisions, advances, receivables, funds, cash, bank balances, accounts, earnest moneys/security deposits and all other rights, of whatsoever nature and where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by the Demerged Undertaking of the Demerged Company, as on the commencement of the Appointed Date and all earnest money and /or deposits including security deposits paid by the Demerged Company in relation to the Demerged undertaking as on the commencement of the Appointed Date and all other rights, benefits available under any rules, regulations, statutes including direct and indirect tax laws in relation to the Demerged Undertaking and in each case, as on the Appointed Date.

3.8 “**Effective Date**” means the last of the dates on which the Orders of the Central Government/ NCLT sanctioning this Scheme of arrangement as filed by Sricity Projects Private Limited and Sri City Private Limited with the respective Registrar of Companies. Any references in this Scheme to the date of “coming into effect of the Scheme” or “effectiveness of this Scheme” or “Scheme taking effect” shall mean the Effective Date.

3.9 “**NCLT**” means National Company Law Tribunal established under Companies Act 2013

3.10 “**Registrar**” means the Registrar of Companies, Tamilnadu, Chennai.

3.11 “**Remaining Business**” shall mean all the business, undertakings and divisions of Sricity Projects Private Limited other than those that are demerged / transferred to and vested in **Sri City Private Limited** pursuant to Part III of this Scheme and shall include trademarks, trade names, brands, patents, copyrights, logo, designs and all other intellectual property whether registered or unregistered.

3.12 “**Resulting Company**” or “**SCPL**” means Sri City Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at No.85 Kutcheri Road, Mylapore, Chennai-600004.

3.13 “**Scheme**” or “**scheme of Arrangement**” means this Scheme of Arrangement as submitted in the present form to the NCLT together with any modification(s) approved or imposed or directed by the NCLT.

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

#### 4. SHARE CAPITAL

4.1 The Authorized, Issued, Subscribed and Paid-up capital share of the Demerged Company as on March 31, 2016 is as follows:

Particulars	Amount in INR.
<b>Authorized Share Capital</b>	
70,00,000 Equity Shares of Rs10/- each	7,00,00,000
<b>Total</b>	<b>7,00,00,000</b>
<b>Issued, subscribed and paid up share capital</b>	
65,00,000 Equity Shares of Rs.10/- each	6,50,00,000
<b>Total</b>	<b>6,50,00,000</b>



Subsequent to 31<sup>st</sup> March 2016, there has been no change in the Authorized, Issued, Subscribed and Paid up Capital of the Demerged Company.

All the shares issued by the Demerged Company as above are held by SCPL and its nominees. Consequently, the Demerged Company is a wholly- owned subsidiary of the Resulting Company.

4.2 The Authorized, Issued, Subscribed and Paid up Capital of the Resulting Company as on March 31, 2016 is as follows:

Particulars	Amount in INR
<b>Authorized Share Capital</b>	
2,50,00,000 Equity Shares of Rs.10/-	25,00,00,000
<b>Total</b>	<b>25,00,00,000</b>
<b>Issued, subscribed and paid up share capital</b>	
2,15,29,414 Equity Shares of Rs.10/- each	21,52,94,140
<b>Total</b>	<b>21,52,94,140</b>

Subsequent to March 31, 2016 there has been no change in the Authorized, Issued, Subscribed and Paid up capital of the Resulting Company.

### **PART-III- TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING OF THE DEMERGED COMPANY INTO THE RESULTING COMPANY**

#### **5. TRANSFER OF UNDERTAKING**

5.1 The Demerged Undertaking of the Demerged Company shall be transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company in the following manner:

(a) With effect from the Appointed Date, the whole of the Demerged Undertaking of the Demerged Company comprising their entire business, all assets and liabilities of what so ever nature and where so ever situated, including the immovable properties, if any, shall, under the provisions of Section 230 to 240 of the Act without any further act or deed (save as provided in sub-clauses (b),(c) and (d) below), be transferred to and vested in and/or to deemed transferred to and vested in the Resulting Company as a going concern so as to become, as from the Appointed Date, the Demerged Undertaking of the Resulting Company and to vest in the Resulting Company all the rights, title, interest or obligations of the Demerged Company therein.

Provide that for the purpose of giving effect to the confirmation order passed under the section 230 read with Section 232 of the Act in respect of this Scheme, the Resulting Company shall at any time pursuant to the orders on this Scheme be entitled to get the record all of the change in the title and the appurtenant legal right(s) upon the vesting of such assets of the Demerged Undertaking of Demerged Company, at the office of the Respective Registrar of Assurances or any other concerned Authority, where any such property is situated.

(b) All the movables including cash in hand, if any, of the Demerged Undertaking capable of passing by manual delivery, shall be so delivered or endorsed as the case may be, to the Resulting Company; on a date mutually agreed upon between the Board of Directors of the Demerged Company and the Resulting Company.

(c) In respect of movables of the Demerged Undertaking other than those specified in the sub-clause (b) above, including sundry debtors, outstanding loans, and advances, if any, recoverable in cash or in kind or for a value to be received, bank balances and deposits, if any with government, semi-government, local and other authorities and bodies and customers and other persons pertaining to the Demerged Undertaking, the following modus operandi for intimating to third parties shall to the extent possible to be followed:

(i) The Demerged Company may give notice in such form as it may deem fit and proper, to each person, party, debtor, loanee or depositee as the case may be, belonging to or related to the Demerged Undertaking, the said debt, loan, advances, bank balances or deposits be paid or made good or held on account of the Resulting Company as the person entitled thereto the end and intent that the right Demerged Company to recover realize the same stands extinguished and that appropriate entry should be passed in its books to record the aforesaid change

(ii) The Resulting Company may also give a notice in such form as it may deem fit and proper to each person, debtor, loanee or depositee, as the case may be, belonging to the Demerged Undertaking, the said debt, loan or deposit be paid or made good or held on account of the Resulting Company and that the right if the Demerged Company or realize the same stands extinguished.

(d) In relation to other assets belonging to Demerged Undertaking, which require separate documents for transfer, or which the Demerged Company and/or the Resulting Company otherwise desire to be transferred separately, the Demerged Company and the Resulting Company each will execute such deeds, documents or such other instruments or writings or create evidence, if any, as may be necessary.

(e) In respect of such of the said assets and liabilities other than those referred to in 5.1(a) to (d) above, the same shall, without any further act, instrument or deed be transferred to, and vested in, and/or deemed to be transferred to and vested in, the Resulting Company.

#### 5.2 With effect from the Appointed Date

(a) All debts, liabilities, contingent liabilities, duties, and obligations of every kind, nature and description attributable to the Demerged Undertaking shall, without any further act or deed, be transferred to, or be deemed to be transferred to the Resulting Company so as to become from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and the Resulting Company undertakes to meet, discharge and the satisfy the same.

(b) Where any of the liabilities and obligations attributed to the Demerged Undertaking on the Appointed Date has been discharged by the Demerged Company on behalf of the Demerged Undertaking after the Appointed Date and prior the Sanction date, such discharge shall be deemed to have been for and on behalf of the Resulting Company.

(c) All liabilities and obligations attributed to the Demerged Undertaking, including its unsecured loans taken over by the Resulting Company may be discharged by the Resulting Company by way of one time settlement or in any other manner as the Resulting Company may deem fit

(d) All loans raised and used, and liabilities incurred, if any, by the Demerged Company after the Appointed Date, but prior to the Sanction date, for the operations of the Demerged Undertaking shall be discharged by the Resulting Company.

(e) The transfer and vesting of the Demerged Undertaking as aforesaid, shall be subject to the existing securities, charges hypothecation and mortgages, if any, subsisting in relation to any loans or borrowings of the Demerged Undertaking, provided however, any reference in security documents or arrangements, to which the Demerged Company is a party, wherein the assets of the Demerged Undertaking have been or are offered or agreed to be offered as a security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Demerged Undertaking as are vested in the case of Resulting Company by virtue of this Scheme, to the end and intent such security, charge, hypothecation and mortgage shall not extend or be deemed to extend, to any of the other assets of the Demerged Company or any of the assets of the Resulting Company, provided further that the securities, charges, hypothecation and mortgages (if subsisting) over and in respect of the assets or any part thereof of the Resulting Company shall continue with respect to such assets or part thereof and this scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages shall not extend to deemed or extend, to any of the assets of the Demerged Undertaking vested in the Resulting Company, provided always that this Scheme shall not enlarge to operate to enlarge such security for any loan, deposit or facility created by the Demerged Company in relation to the Demerged Undertaking which shall vest in the Resulting Company by virtue of vesting of the Demerged Undertaking with the Resulting Company and the Resulting Company shall not be obliged to create any further or additional security therefore after the Scheme has become operative.

(f) All the loans, advances and other facilities sanctioned to the Demerged Company in relation to the Demerged Undertaking by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to the Resulting Company and the said the loans and advances shall be drawn and utilized either partly or fully by the Demerged Company from the Appointed Date till sanction date and all the loans, advances and other facilities so drawn by the Resulting Company in relation to Demerged Undertaking (within the overall limits sanctioned by their bankers and financial institutions) shall on the Sanction date be treated as loans, advances and other facilities made available to the Resulting Company and all the obligations of the Demerged Company in relation to the Demerged Undertaking under any loan agreement shall be construed and shall become the obligation of the Resulting Company without any further act or deed on the part of the Resulting Company.

(g) Any existing encumbrances over the assets and properties of the Resulting Company or any part thereof which relate to the liabilities and obligations if the Resulting Company prior to Sanction date shall continue to relate only to such assets and properties shall not extend to attach to any of the assets and properties of the Demerged Undertaking transferred to and vested in the Resulting Company by virtue of this Scheme.

## 6. **LEGAL PROCEEDINGS**

6.1 With effect from the Appointed Date all suits, actions and proceedings of whatsoever nature or by against the Demerged Undertaking of the Demerged Company on the Sanction date shall be continued and enforced by the difficulty by or against the Resulting Company. In the event of any difference or difficulty on whether any specific legal or other proceeding relates to the Demerged Undertaking or not, a certificate jointly issued by the Demerged Company and the Resulting Company as to whether any proceeding relates to the Demerged Undertaking or not shall be conclusive evidence of the matters.

6.2 If the proceedings are taken against the Demerged Company, in respect of the matters referred to above, it shall defend the same in accordance with the advice of and the cost of the Resulting Company and the latter shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

6.3 The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company in respect of the matters referred above transferred into its name and have same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company.

6.4 The transfer and vesting of the assets, liabilities and obligations of the Demerged Company under Clause 5 and the continuance of proceedings by or against the Resulting Company under the Clause 6 hereof shall not affect any transactions or any proceedings already completed by the Demerged Company on and after the Appointed Date to the end of the and the intent that, subject to Clause 7, the Resulting Company accepts all acts, deeds and things done and executed by and/or behalf of the Demerged Company as acts, deeds and things done executed by and on behalf of the Resulting Company.

## **7. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS**

7.1 With effect from the Appointed Date, all contracts deeds, bonds, agreements, arrangements and other instruments of whatsoever nature pertaining to the Demerged Undertaking of the Demerged Company, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible and which are subsisting or having effect immediately before the Appointed Date, shall be in full force and effect against or in favour of the Resulting Company as the case may be, and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary thereto.

7.2 With effect from the Appointed Date, all permits, quotas, rights, entitlements, privileges, powers, facilities, subsidies, rehabilitation schemes, special status and other benefits or privileges (granted by the government body, local authority or by any other person) of every kind and description of whatsoever nature in relation to Demerged Undertaking of the Demerged Company, or to the benefit of which the Demerged Undertaking of the Demerged Company may be eligible, or having effect immediately before the Sanction date, shall be and remain in full force and effect in favour of or against the Resulting Company, as the case may be and may be enforced fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a beneficiary or obligee thereto.

7.3 With effect from the Appointed Date, any statutory licenses, permissions or approvals or consents required to hold, sell, or deal with any manner, the Demerged Undertaking of the Demerged Company shall stand vested in or transferred to the Resulting Company without any further act or deed, shall be appropriately mutated by the Company concerned therewith in favour of the Resulting Company. The benefit of all such statutory and regulatory permissions, licenses, approvals and consents including statutory licenses, approvals, permissions or approvals or consents required to hold, sell, deal with in any manner and exercise any right as a holder of the Demerged Undertaking of the Demerged Company shall vest in and become available to the Resulting Company pursuant to the Scheme

7.4 The Resulting Company shall enter into and/or issue and/or execute deeds writings or confirmations or enter into any tripartite agreement, confirmations or novations to which the Demerged Company will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if it is so required or if it becomes necessary.

## **8. STAFF, WORKMAN AND EMPLOYEES OF DEMERGED COMPANY**

8.1 Upon the Scheme being sanctioned, all the executives, staff, workmen, and other employees in the service of the Demerged Undertaking of the Demerged Company as determined by the Board of Directors of the Demerged Company, immediately before the Sanction date, under this Scheme shall become the executives, staff, workmen and other employees of the Resulting Company, on the, on the basis that:

a. Their services shall have been continuous and shall not have been interrupted by reason of such transfer as if such transfer is effected under Section 25FF of the Industrial Disputes Act, 1947;

b. The terms and conditions of employment applicable to the said executives, staff, workmen, and other employees after such transfer shall not in any way be less than favorable to them than those applicable to them immediately before transfer;

c. In the event of retrenchment of such executives, staff, staff, workmen, or other employees, the Resulting Company shall be liable to pay any compensation in accordance with the law on the basis that services of the staff, workmen, or employees shall have been continuous and shall not have been interrupted by reason of such transfer; and

d. In so far as the existing provident fund trusts, gratuity fund and pension and/or superannuation fund trusts created by the Demerged Company (including employees of the Demerged Undertaking) for its employees are concerned, the part of the funds referable to the employees who are being transferred shall be continued for the benefit of the employees who are being transferred to the Resulting Company pursuant to the Scheme in the manner provided hereinafter. In the

event that the Resulting Company have their own funds in the respect of any of the funds referred to above, the amounts in such funds in respect of the contributions pertaining to the employees of the Demerged Undertaking shall, subject to the necessary approvals and permissions, be transferred to the relevant funds of the Resulting Company. In the event that the Resulting Company does not have its own fund, on respect of the aforesaid matters, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute in respect of the employees engaged in the Demerged Undertaking to the relevant funds of the Demerged Company, until such time that the Resulting Company creates its own fund, at which time the Resulting Company creates its own fund, at which time the contributions pertaining to the employees of the Demerged Undertaking shall be transferred to the funds created by the Resulting Company

e. The Resulting Company undertakes to continue to abide by any Agreement/Settlement entered into by the Demerged Company with the workmen in respect of the Demerged Undertaking.

f. Any disciplinary action initiated by the Demerged Company against any workmen of the Demerged Undertaking shall have full force, effect and continuity as if it has been initiated by the Resulting Company instead of the Demerged Company.

## **9. CONSIDERATION**

9.1 The Demerged Company is a wholly owned subsidiary of the Resulting Company and its entire share capital is held by the Resulting Company in its own name and/or jointly with its nominee. Accordingly, there would be no issue of shares of the Resulting Company to the shareholders of the Demerged Company towards consideration for the demerger, transfer and vesting of the Demerged Undertaking by the Demerged Company into the Resulting Company

9.2 The approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company under Section 230 read with Section 232 of the Act shall be deemed to have the approval under the applicable provisions of the Act and any other consents and approvals required under this regard

## **10. ACCOUNTING TREATMENT**

10.1 The Demerged Company shall, upon the Scheme being Sanctioned, record the deletion of the assets and liabilities of the Demerged Undertaking transferred to and vested in Resulting Company pursuant to this Scheme at their respective book values as appearing in its books of accounts as at the close of its business of the day immediately preceding the Appointed Date.

10.2 Loans and advances and other dues outstanding between the Demerged Company and the Resulting Company related to Demerged Undertaking will stand cancelled and there shall be no further obligation/ outstanding in that behalf.

10.3 The difference between the book value of the assets and the book value of the liabilities of the Demerged Undertaking that is transferred to the Resulting Company pursuant to Scheme would be adjusted to the opening balance of the profit and loss account of the Demerged Company.

### **Treatment in the books of the Resulting Company**

10.4 The Resulting Company shall, upon the Scheme being Sanctioned, record the assets and liabilities of the Demerged Undertaking, transferred to and vested in it pursuant to this Scheme, at their respective book values excluding revaluation impact, if any, as appearing in the books of the Demerged Company as at the close of business of the day immediately preceding the Appointed Date. In addition, the resulting company shall pass such accounting entries as may be necessary in connection with the scheme to comply with the applicable accounting standards.

10.5 Loans and advances and other dues outstanding between the Demerged Company and the Resulting Company relating to the Demerged Undertaking will stand cancelled and there shall be no further obligation/outstanding in that behalf.

10.6 Excess, if any, of the book value of assets over the book value of liabilities of the Demerged Undertaking transferred from Demerged Company and recorded by the Resulting Company as above shall be credited Capital Reserve Account of the Resulting Company. Deficit, if any, shall be adjusted to the opening balance of the profit and loss account of the Resulting Company.

10.7 If considered appropriate for the purpose of application of uniform accounting methods and policies between the Demerged Company and the Resulting Company, the Resulting Company may make suitable adjustments and adjust the effect thereof in the General Reserve Account of the Resulting Company.

## **11. OTHER TERMS AND CONDITIONS**

11.1 Any issue as to whether any asset or liability pertains to the Demerged Undertaking or not shall be decided by the Board of Directors of the Demerged Company and the Resulting Company, either by themselves or through a committee appointed

by them in this behalf, on this basis of such evidence as they may deem relevant (including the books and records of the Demerged Company).

11.2 With the effect from the Appointed Date, any statutory licenses, permissions or approvals or consents relating to and or held for carrying operations of the Demerged Undertaking shall stand vested in or transferred to the Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting Company. The benefit of all statutory and regulatory permissions, registration and other licenses, and consents shall vest in and become available to the Resulting Company pursuant to the Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges granted by any Government body, local authority or by any other person, or enjoyed and availed in relation to the Demerged Undertaking are concerned, the same shall vest with and shall be available to the Resulting Company on the same terms and conditions.

11.3 With effect from the Appointed Date, all taxes/cess/duties, direct and/or indirect, payable by or on behalf of the Demerged Undertaking of the Demerged Company from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with the Revenue Authorities and including the right to carry forward and set-off of accumulated losses under the Income-tax Act, 1961, shall, for all the purposes, be treated as tax/cess/duty, liabilities or refunds, claims, accumulated losses and credits pertaining to indirect taxes such as cenvat credit, VAT credit etc. of the Resulting Company.

11.4 With effect from the Appointed Date, all existing and future incentives, unavailed credits and exemptions, benefit or carried forward losses and other statutory benefits, including in respect of income tax, credit Minimum Alternate Tax, excise(including Modvat/Cenvat),customs, VAT, sales tax, service tax etc. relating to the Demerged Undertaking to which the Demerged Company is entitled to shall be available to and vest in the Resulting Company.

11.5 The Demerged Company and the Resulting Company are expressly permitted to make and/ or revise their income tax, and related TDS Certificates, the right to claim refund, credit for minimum alternate tax, withholding tax credits, advance tax credits etc., on such Scheme being Sanctioned as on the Appointed Date, including the right to make such revisions in the Income Tax Returns and related Tax Deducted at Source Certificates, the right to claim refunds, advance tax credits, withholding tax credits, the right to benefit of credit or minimum alternate tax and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme and the Scheme being Sanctioned expressly granted.

11.6 In accordance with the Cenvat Credit Rules framed under the Central Excise Act, 1944 and Service Tax Law as applicable and prevalent on the Sanction Date, the unutilized credits relating to excise duties paid on inputs/capital goods/input services and the unutilized input tax credits (if any) lying in the accounts of the Demerged Company relating to Demerged Undertaking shall be permitted to be transferred to the credit of the Resulting Company, as if all such unutilized credits were lying to the account of the Resulting Company. The Resulting Company shall accordingly be entitled to set off all such all such unutilized credits against the excise duty/service tax payable by it.

11.7 In accordance with the Value Added Tax as are prevalent on the Sanction Date in respect of each state, the unutilized credits, benefits, exemptions, if any, relating to VAT paid on inputs, work in progress, capital goods lying in the accounts of the Demerged Company relating to the Demerged Undertaking shall be permitted to be transferred to the credit of the Resulting Company, as if all such unutilized credits were lying to the account of the Resulting Company. The Resulting Company shall accordingly be entitled to set off all such unutilized credit against VAT/CST payable by it.

11.8 Where the Demerged Company is entitled to various benefits under incentive schemes including export schemes and policies in relation to Demerged Undertaking. Pursuant to this Scheme it is declared that the benefits under all such schemes and /or policies shall be transferred to and vest in the Resulting Company and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by the Resulting Company, these shall relate back to the Appointed Date as if the Resulting Company was originally entitled to all benefits under such incentive scheme and / or policies, subject to which the benefits under the incentive schemes were made available to the Demerged Company with respect to the Demerged Undertaking.

11.9 Since each of the permissions, approvals, consents, sanctions, remissions special reservations, tax holidays, incentives, concessions and other authorizations in relation to the Demerged Undertaking of the Demerged Company, shall stand transferred by the order Section 230 read Section 232 of the Act to Resulting Company, the Resulting Company shall file the relevant intimations, for the record of statutory authorities who shall take them on file.

11.10 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found to be interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

## **12. CONDUCT OF BUSINESS TILL SANCTION DATE**

12.1 With effect from the Appointed Date, the Demerged Company shall carry on and be deemed to have carried on its business and activities relating to Demerged Undertaking and shall stand possessed of all its assets and properties referred to above, in trust for the Resulting Company and shall account for the same to the Resulting Company. The Demerged Company shall hold the said assets with utmost prudence until Sanction Date.

12.2 Any income or profit accruing or arising to the Demerged Company, and all costs, charges, expenses and losses or taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax paid, indirect taxes paid, taxes withheld/paid in a foreign country etc.) incurred by the Demerged Company, relating to the Demerged Undertaking, shall for all the purposes be treated as the income, profits, costs, charges, expenses and losses or taxes, as the case may be of the Resulting Company and shall be available to the Resulting Company for being disposed off in any manner as it thinks fit.

## **13. SAVING OF CONCLUDED TRANSACTIONS**

The transfer and vesting of the Demerged Undertaking of the Demerged Company shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Sanctioned Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by or on behalf of the Resulting Company.

## **PART IV- REMAINING BUSINESS**

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

14.2 (a) All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or Court) by or against the Demerged Company under any statute, whether pending on the Appointed date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the demerged Company after the Effective Date, which shall keep the Resulting Company fully indemnified in that behalf. The Resulting Company shall in no event be responsible or liable in relation to any such legal or other proceedings against the Demerged Company.

14.2 (b) If proceedings are taken against the resulting Company in respect of the matters referred to in sub-clause (a) above, it shall defend the same in accordance with the advice of the demerged Company, and the latter shall reimburse and indemnify the resulting Company against all liabilities and obligations incurred by the resulting Company in respect thereof.

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

- a) The Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf.
- b) all profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company.

## **PART V- GENERAL TERMS AND CONDITIONS**

### **15. MODIFICATIONS/ AMENDMENTS TO THE SCHEME**

15.1 The Demerged Company and the Resulting Company through their respective Boards of Directors including Committees of Directors or other persons, duly authorized by the respective Boards in this regard, may make, or assent to, any alteration or modification to this Scheme or to any conditions or limitations, which the Central Government or any other Competent Authority may deem fit to direct, approve or impose any may give such directions, to settle any doubt, question or difficulty, arising under the Scheme or in this regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary matters and things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions of this scheme and if necessary to waive those (to the extent permitted under the law) for bringing this Scheme into operation.

15.2 If any part or provision of this Scheme hereof is invalid ruled illegal by the Central Government of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such Part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part or provision, as the case may be, shall cause this scheme to become materially adverse in the party, in

which case the Parties shall attempt to bring about a modification if the scheme, as will best preserve for the parties the benefits and obligations of the scheme, including but not limited to such Part or provision.

**16. SCHEME CONDITIONAL ON APPROVALS/ SANCTION**

This Scheme is conditional upon the following approvals / events and the Scheme shall be deemed to be effective on obtaining last of the following approvals and the occurrence of the last of the following events:

16.1 The approval of the Scheme by the requisite majority of the members of the Demerged and Resulting Companies respectively as required under Section 230 read with 232 of the Companies Act, 2013;

16.2 The approval of the Scheme by the requisite majority of the creditors of the Demerged and Resulting Companies respectively;

16.3 The sanction of the Scheme by the National Company Law Tribunal under Sections 230 to 240 of the Companies Act, 2013 and other applicable provisions of the Act, Rules and Regulations;

16.4 Certified copies of the National Company Law Tribunal orders being filed with the Registrar of Companies concerned by the respective companies. The Scheme shall become operative on the date or the last of the dates on which the certified copies of the orders of the Court sanctioning the Scheme are filed by the Demerged Company and the Resulting Company with the respective Registrar of Companies and such date shall be known as the Effective Date.

16.5 Compliance with such other conditions as may be imposed by the National Company Law Tribunal.

**17. EFFECT OF NON-RECEIPT OF CONFIRMATION /SANCTION**

17.1 In the event of this Scheme failing to take effect as may be agreed by the respective Boards of Directors of the Demerged Company and the Resulting Company, this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case each Company shall bear its own costs or as may be mutually agreed.

17.2 Save and except in respect of any act or deed done prior thereto as is contemplated hereunder, or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law, the Scheme shall stand revoked, cancelled and be of no effect if the events or sanctions and approvals referred to in Part IV, clause 17 have not occurred.

**18. OPERATIVE DATE OF THE SCHEME**

18.1 The Scheme shall be operative with effect from the Appointed Date but shall be effective from the Effective Date.

**19. EXPENSES CONNECTED WITH THE SCHEME**

19.1 All costs charges levies fees duties and expenses of the Demerged Company and the Resulting Company respectively in relation to or in connection with negotiation leading up to the Scheme and of carrying out and completing the terms and provisions of this Scheme shall be borne and paid by the Resulting Company.

**20. SAVING OF CONCLUDED TRANSACTIONS**

20.1 Transfer and vesting of the assets, properties, liabilities and obligations of the Sricity Projects Private Limited for the purpose of Part III of the scheme and continuance of the proceedings by or against the Sri City Private Limited for the purpose of Part III of the scheme shall not in any manner affect any transaction or proceedings already completed by Sricity Projects Private Limited for the purpose of Part III of the scheme (in respect of the Demerged undertaking) on or before the Appointed Date to the end and intent that SI City Private Limited for the purpose of Part III of the scheme accepts all such

acts, deeds and things done and executed by and/or on behalf of the Sri City Private Limited for the purpose of Part III of the scheme as acts, deeds and things done and executed by and on behalf of the Sri CityPrivate Limited for the purpose of Part III of the scheme.

**SCHEDULE-I**

**The Assets and Liabilities forming part of the Demerged Undertaking of the Demerged Company proposed to be transferred, vested and demerged to the Resulting Company as on Appointed Date**

**Assets:**

<b>S No</b>	<b>Particulars</b>	<b>Book Value (as on Appointed Date)</b>
1	Tangible Assets	3,69,94,415
2	Intangible Assets	6,744
3	Long term loans and advances	2,93,76,475
4	Deffered Tax Asset (Net)	7,02,83,453
5	Inventories	1,94,00,410
6	Trade Receivables	1,77,28,860
7	Short term loans and Advances	15,54,12,003
8	Other Current Assets	4,41,01,762
9	Cash & Bank Balances	1,64,89,561
<b>Total</b>		<b>38,97,93,683</b>

**Liabilities**

<b>S.No</b>	<b>Particulars</b>	<b>Book Value (as on Appointed Date)</b>
1	Long term Provisions	4,56,788
2	Short term borrowings	19,95,42,364
3	Trade Payables	5,50,18,119
4	Other Current liabilities	18,92,43,819
5	Short term provisions	60,279
<b>Total</b>		<b>44,43,21,369</b>



BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

CHENNAI BENCH, CHENNAI

IN THE MATTER OF SECTIONS 230 TO 240 AND OTHER APPLICABLE PROVISIONS OF

THE COMPANIES ACT, 2013

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT (DEMERGER) BETWEEN SRICITY PROJECTS PRIVATE LIMITED AND SRI CITY PRIVATE LIMITED

**SRI CITY PRIVATE LIMITED**

A Company incorporated under the Companies Act, 1956,  
and having its Registered Office at  
No.85, Kutchery Road, Mylapore,  
Chennai - 600004

Represented by its Managing Director

**Mr. RAVINDRA BABU SANNAREDDY**

**DIN: 00047652**

....APPLICANT/ TRANSFEREE COMPANY

**FORM OF PROXY**

I/We, the undersigned Secured Creditor(s) of SRI CITY PRIVATE LIMITED hereby appoint \_\_\_\_\_ of \_\_\_\_\_ and failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to act for me / us on my /our behalf at the **Meeting of the Secured Creditor(s)** SRI CITY PRIVATE LIMITED to be held on **12-07-2018** at **10.00 a.m.** at the Registered Office of the Company at 85, Kutchery Road, Mylapore, Chennai – 600004 for the purpose of considering and if thought fit, approving with or without modification(s), the Scheme of Arrangement (Demerger) between SRICITY PROJECTS PRIVATE LIMITED and SRI CITY PRIVATE LIMITED, at such meeting and at any adjournment or adjournments thereof to vote for me/us and in my/our name \_\_\_\_\_, (here, if 'for', insert 'for', if 'against' insert 'against', and in the latter case, strike out the words below after "Scheme of Arrangement") relating to the said Scheme of Arrangement and the resolution, either with or without modification, as my/our proxy may approve.

[Strike out what is not necessary]

Dated this \_\_\_\_\_ day of \_\_\_\_\_

Name: \_\_\_\_\_

Address:  
\_\_\_\_\_

Signature

Affix Re. 1  
Revenue  
Stamp

- Note : 1. All alterations made in the Form of Proxy should be initialed.  
2. Proxy, in order to be effective, to be deposited at the registered office of the Company at 85, Kutchery Road, Mylapore, Chennai – 600004 not later than 48 hours before the meeting.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,  
CHENNAI BENCH, CHENNAI  
IN THE MATTER OF SECTIONS 230 TO 240 AND OTHER APPLICABLE PROVISIONS OF  
THE COMPANIES ACT, 2013  
AND  
IN THE MATTER OF SCHEME OF ARRANGEMENT (DEMERGER) BETWEEN SRICITY PROJECTS PRIVATE  
LIMITED AND SRI CITY PRIVATE LIMITED**

**SRI CITY PRIVATE LIMITED**

A Company incorporated under the Companies Act, 1956,  
and having its Registered Office at  
No.85, Kutchery Road, Mylapore,  
Chennai - 600004  
Represented by its Managing Director  
**Mr. RAVINDRA BABU SANNAREDDY**  
**DIN: 00047652**

....APPLICANT/ TRANSFEREE COMPANY

**SECURED CREDITORS**

**ATTENDANCE SLIP**

MEETING OF THE SECURED CREDITORS ON **12-07-2018** at **10.00 a.m.** AT REGISTERED OFFICE AT **85, KUTCHERY ROAD, MYLAPORE, CHENNAI – 600004.**

NAME OF THE SECURED CREDITOR/PROXY HOLDER	
ADDRESS	
AMOUNT DUE	

I certify that I am a registered Secured Creditor /proxy for the registered Creditor of the Company.

I hereby record my presence at the **MEETING OF THE SECURED CREDITORS** of SRI CITY PRIVATE LIMITED held on **12-07-2018** at **10.00 a.m.** at the Registered Office of the Company at **No.85, Kutchery Road, Mylapore, Chennai – 600004 .**

Signature of Creditor / Proxy