

IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH – COURT V

CP (CAA) 136/MB/2021

connected with

CA (CAA) 985/MB/2020

In the matter of the Companies Act, 2013

And

In the matter of Section 230 to 232 of the
Companies Act, 2013 and other applicable
provisions of the Companies Act, 2013 and
rules framed thereunder

And

In the matter of Scheme of Amalgamation
(Merger by Absorption) of Palava Dwellers
Private Limited (Transferor Company) having
CIN : U70100MH2017PTC292371 with
Macrotech Developers Limited (Transferee
Company) having CIN :
L45200MH1995PLC093041 and their
respective shareholders ('Scheme')

Palava Dwellers Private Limited
having its registered office at 412,
Floor- 4, 17G Vardhaman
Chamber Cawasji Patel Road,
Horniman Circle, Fort, Mumbai
400001, Maharashtra

...Transferor Company/ First Petitioner Company

Macrotech Developers Limited
having its registered office at 412,



Floor- 4, 17G Vardhaman
Chamber Cawasji Patel Road,
Horniman Circle, Fort, Mumbai
400001, Maharashtra

...Transferee Company/ Second Petitioner Company

Order delivered on: 26.10.2021

Coram:

Hon'ble Smt. Suchitra Kanuparthi, Member (Judicial)

Hon'ble Smt. Anuradha Sanjay Bhatia, Member (Technical)

Appearances (via videoconferencing):

For the Petitioners: Jeet Gandhi

For the Regional Director (WR): Ms. Rupa Sutar, Deputy Director

Per: Suchitra Kanuparthi, Member (J)

ORDER

1. The Court is convened by videoconference today (26.10.2021).
2. Heard Learned Counsel for the First Petitioner Company and the Second Petitioner Company (collectively referred to as 'Petitioner Companies'). No objector has come before the Tribunal to oppose the petition and nor has any party controverted any averments made in the petition.
3. The sanction of this Tribunal is sought under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") and in the matter of Scheme of Amalgamation (Merger by Absorption) of Palava Dwellers Private Limited (Transferor Company/First Petitioner Company)



with **Macrotech Developers Limited (Transferee Company/ Second Petitioner Company)** and their respective shareholders ('Scheme').

4. The Learned Counsel for the Petitioner Companies submits that the Petitioner Companies are currently engaged in the business of real estate development.

5. The rationale for the Scheme of Amalgamation (Merger by Absorption) is set out below:

- i) Synergies arising out of consolidation of business, such as, enhancement of net worth of the combined business to capitalize on future growth potential, optimal utilization of resources;
- ii) Achieving operational efficiencies and management efficiencies; and
- iii) Reducing operational and compliances costs.

6. Both the Petitioner Companies have approved the Scheme by passing their respective Board on 20.03.2020 and have approached the Tribunal for sanction of the Scheme.

7. Learned Counsel for the Petitioner Companies submits that the Joint Company Petition has been filed in consonance with the order passed in Company Scheme Application C.A. (CAA) 985/MB/2020 on 26.05.2020 and by further directions contained in the order passed in CA/37/MB/2021 on 17.06.2021 passed by this Hon'ble Tribunal.

8. The Regional Director has filed its report dated 27.08.2021 ("Report") praying that this Tribunal may pass such orders as it thinks fit, save and except as stated in paragraphs IV (a) to (p) and in response to the

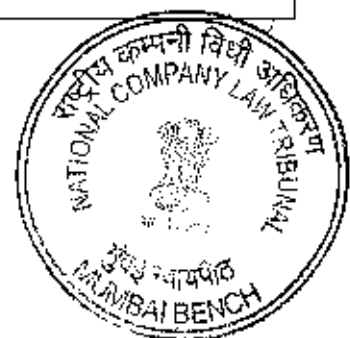


observations of the Regional Director, the Petitioner Companies have filed an Affidavit in Rejoinder filed on 10th September, 2021 and have clarified as follows.

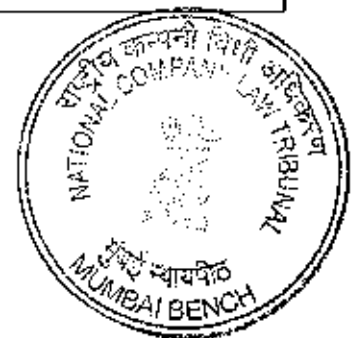
Sr. No. Para	Regional Director Report / Observation Dated 27th August, 2021	Response from the Petitioner Companies
IV (a)	<i>In addition to compliance of AS-14 (IND AS - 103) the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS-8) etc.;</i>	<i>As far as the observation of the Regional Director, as stated in IV (a) is concerned, the Second Petitioner Company, through its Counsel, undertakes that in addition to compliance of IND AS - 103, it shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as IND AS-8, etc.</i>



IV (b)	<i>As per Part-I-Definitions Clause 1(1.3), & 1(1.5) of the Scheme</i> <i>"Appointed Date" means the 1st day of April 2019 or such other date as may be fixed or approved by National Company Law Tribunal, Mumbai Bench;</i> <i>"Effective Date" means the last of the dates on which the certified copies of the orders sanctioning this Scheme, passed by the National Company Law Tribunal at Mumbai, are filed with the Registrar of Companies, Mumbai by the Transferor Company and the Transferee Company. Any references in this Scheme to the date of "coming into effect of this Scheme" or "upon the Scheme becoming effective" shall mean the Effective Date.</i>	<i>As far as the observation of the Regional Director, as stated in IV (b) is concerned, the Petitioner Companies, through their Counsel, submit that as per Clause 1.3 of the Scheme, the Appointed Date means the 1st day of April 2019 or such other date as may be fixed or approved by National Company Law Tribunal, Mumbai Bench.</i> <i>Further, as per Clause 1.5 of the Scheme, the Effective Date means the last of the dates on which the certified copies of the orders sanctioning this Scheme, passed by the National Company Law Tribunal at Mumbai, are filed with the Registrar of Companies, Mumbai by the Transferor Company and the Transferee Company.</i> <i>The Petitioner Companies, through their Counsel, undertake to comply with the requirements clarified vide circular no. F. No. 7/12/2019/CL-I</i>
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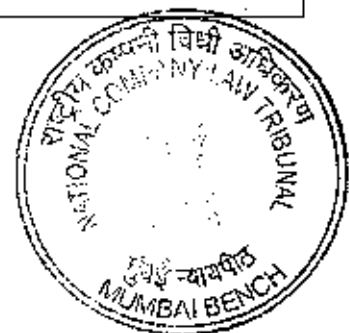
<i>In this regard, it is submitted that Section 232 (6) of the Companies Act, 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not a date subsequent to the appointed date. However, this aspect may be decided by the Hon'ble Tribunal taking into account its inherent powers.</i> <i>Further, the Petitioners may be asked to comply with the requirements as clarified vide circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs.</i>	<i>dated 21.08.2019 issued by the Ministry of Corporate Affairs.</i>
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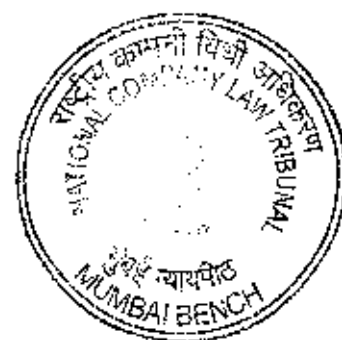
IV (c)	<i>The Hon'ble Tribunal may kindly seek the undertaking that this Scheme is approved by the requisite majority of members and creditors as per Section 230(6) of the Act in meetings duly held in terms of Section 230(1) read with subsection (3) to (5) of Section 230 of the Act and the Minutes thereof are duly placed before the Tribunal.</i>	<i>As far as the observation of the Regional Director, as stated in IV (c) is concerned, the Petitioner Companies, through their Counsel, submit that in pursuance of the directions contained in the order passed by the Tribunal in Company Scheme Application C.A. (CAA) 985/MB/2020 on 26th May 2020 and by further directions contained in the order passed in CA/37/MB/2021 on 17th June, 2021, the First Petitioner Company was directed to convene and hold the meeting of the Equity Shareholders on 23rd July, 2021 at 10 am through Video Conferencing and the Second Petitioner Company was granted dispensation from convening and holding the meeting of the Equity Shareholders based on the Consent Affidavits from the shareholders representing 100% shareholding in the Second Petitioner Company. Fur-</i>
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		<i>ther, vide the above-mentioned orders, the Petitioner Companies were granted dispensation from convening and holding the meeting of the Secured Creditors and Unsecured Creditors and were required to intimate all its Secured Creditors and the Unsecured Creditors having outstanding amount of more than Rs. 1,00,00,000 (Rupees One Crore Only). The Petitioner Companies confirm that the same was duly complied with by filing an Affidavit of Service on 9th July 2021.</i>
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IV (d)	<i>Hon'ble NCLT may kindly direct the petitioners to file an affidavit to the extent that the Scheme enclosed to Company Application & Company Petition, are one and same and there is no discrepancy/any change/changes are made, for changes if any, liberty be given to Central Government to file further report if any required;</i>	<i>As far as the observation of the Regional Director, as stated in IV (d) is concerned, the Petitioner Companies, through their Counsel, submit that the Scheme enclosed in the Company Scheme Application was modified vide Board Resolution dated 25th January 2021 by the First Petitioner Company and Executive Committee of the Board Resolution dated 28th January 2021 by the Second Petitioner Company and the same was submitted to the Tribunal vide Interlocutory Application dated 9th February 2021. The Petitioner Companies confirm that the Scheme enclosed in the Interlocutory Application is the same as the Scheme filed along with the Company Scheme Petition and that the consent of the Equity Shareholders through conducting a meeting (in the case of the First Petitioner Company) and through consent affidavits</i>
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		<i>(in the case of Second Petitioner Company) was obtained for such modified scheme.</i>
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IV (e)	<i>The Petitioners under provisions of section 230(5) of the Companies Act, 2013 have to serve notices to concerned authorities which are likely to be affected by Amalgamation. Further, the approval of the scheme by this Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the scheme. The decision of such Authorities is binding on the Petitioner Company(s).</i>	<i>As far as the observation of the Regional Director, as stated in IV (e) is concerned, the Petitioner Companies, through their Counsel, submit that notices in accordance with Section 230 (5) of the Companies Act, 2013 have been served upon the concerned Income Tax Authorities, Regional Director, Registrar of Companies and Real Estate Regulatory Authority. Further, the Second Petitioner Company also served notice to Securities and Exchange Board of India and the stock exchanges. The Counsel for further undertakes that the sanction of the Scheme by this Tribunal will not deter any authorities to deal with any of the issues arising after giving effect to the Scheme and that such issues arising out of the Scheme will be met and answered in accordance with the law.</i>
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IV (f)	<i>Petitioner Company have to undertake to comply with section 232(3)(i) of Companies Act, 2013, where the transferor company is dissolved, the fee, if any, paid by the transferor company on its authorised capital shall be set-off against any fees payable by the transferee company on its authorised capital subsequent to the amalgamation and therefore, petitioners to affirm that they comply the provisions of the section.</i>	<i>As far as the observation of the Regional Director, as stated in IV (f) is concerned, the Petitioner Companies, through their Counsel, undertake to comply with the provisions of Section 232(3)(i) of the Companies Act, 2013.</i>
IV (g)	<i>The Petitioner Company may be directed to submit undertaking that the petitioner company shall ensure compliance of the all provisions of the Income Tax Act, 1961 including provisions of section 2(1B) of the Income Tax Act.</i>	<i>As far as the observation of the Regional Director, as stated in IV (g) is concerned, the Petitioner Companies, through their Counsel, undertake to comply with all applicable provisions of the Income Tax Act, 1961 including provisions of section 2(1B) of the Income Tax Act, 1961.</i>



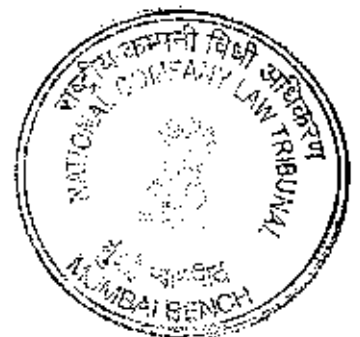
IV (h)	As per the Part-II-Clause 11(11.1 to 11.6) of the Scheme (Consideration); In this regard it is submitted that Hon'ble Tribunal may kindly direct the Petitioner to Comply with provisions of Section 55, Section 62 & Section 232(3)(i) of the Companies Act, 2013 or any other applicable provision of the Act.	As far as the observation of the Regional Director, as stated in IV (h) is concerned, the Petitioner Companies, through their Counsel, undertake to comply with all provisions of the Section 55, Section 62 & Section 232(3)(i) of the Companies Act, 2013 or any other applicable provisions of the Act, as applicable. The Second Petitioner Company, through its Counsel, submits that in accordance with Para 11.6 of Scheme, the approval of the shareholders to the Scheme shall be deemed to be due compliance of section 55 and section 62 of the Companies Act, 2013 and no further approval of shareholders under section 55 and section 62 of the Companies Act, 2013 is required to be obtained by the Transferee Company.
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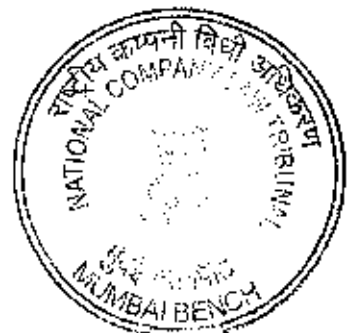
IV (i)	<i>As per Part- II Clause 12(12.1 & 12.5) of the Scheme (Accounting Treatment in the Books of the Transferee Company), Upon the Scheme becoming effective, the Transferee Company shall account for the merger of the Transferor Company in its books of accounts with effect from the Appointed Date as per "Pooling of Interest Method" provided in Appendix C of Indian Accounting Standard 103 (Business Combination of entities under common control) notified under the provision of the Companies Act, 2013.</i> <i>In this regard it is stated that in Indian Accounting Standard (Ind-AS) 103 - prescribes application of Pooling of Interest Method to account for common</i>	<i>As far as the observation of the Regional Director, as stated in IV (i) is concerned, the Second Petitioner Company, through its Counsel, undertakes that the difference so credited to the 'Capital Reserve arising out of Amalgamation' will not be available for distribution of dividend and other similar purposes.</i>
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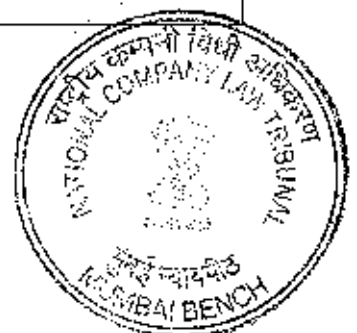
control business combinations. Under this method: Any difference, whether positive or negative, shall be adjusted against the capital reserves (or "Amalgamation Adjustment Deficit Account" in some cases). In view of the above it is submitted that the difference so credited to "Capital Reserve arising out of Amalgamation" shall not be available for distribution of dividend and other similar purposes.



IV (j)	As per Part II Clause 13(13.1 to 13.3) of the Scheme (Aggregation of Authorized Capital) In this regard it is submitted that the fee payable by the Transferee Company shall be in accordance with the provisions of Section 13, Section 14, Section 61, and Section 232(3)(i) of the Companies Act, 2013 further if any stamp duty is payable the same should be paid in accordance with applicable laws of the State;	As far as the observation of the Regional Director, as stated in IV (j) is concerned, the Petitioner Companies, through their Counsel, submit that as per Clause 13 of the Scheme, upon this Scheme becoming effective, the authorized share capital of the Transferor Company shall stand consolidated and vested in and be merged with the authorised share capital of the Transferee Company without any further act, instrument or deed on the part of the Transferee Company, including without payment of stamp duty and fees payable to Registrar of Companies, and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Section 13, Section 14, Section 61 and Section 232(3)(i) respectively
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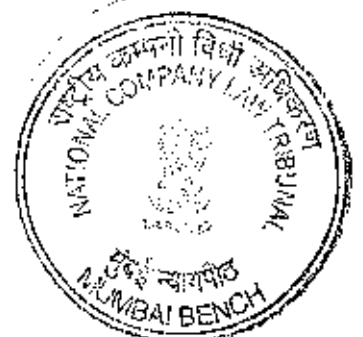
		<i>of the Act or any other applicable provisions of the Act, as the case may be and for this purpose the stamp duties and fees paid on the authorised share capital of the Transferor Company shall be utilised and applied to the increased authorised share capital of the Transferee Company and no payment of any extra stamp duty and/or fee shall be payable by the Transferee Company for increase in the authorised share capital to that extent. Further, in the event of any increase in the authorised share capital of Transferor Company and/ or Transferee Company before the Effective Date, on sanctioning of the any other Scheme by the NCLT, such increase shall be given effect to while aggregating the authorised share capital.</i>
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IV (k)	<i>As Palava Dwellers Private Limited (Transferor Company) and Macrotech Developers Limited (Transferee Company) are engaged in the business of Construction and Real Estate Development/business. Hence the petitioners be directed to obtain NOC from (RERA) regarding applicability of Real Estate Regulation and Development Act, 2016 with Maharashtra Rules and Regulation 2017.</i>	<i>As far as the observation of the Regional Director, as stated in IV (k) is concerned, the Petitioner Companies, through their Counsel, submit that they have served notice of Company Scheme Application upon RERA vide letter dated 3rd day of July 2021.</i>
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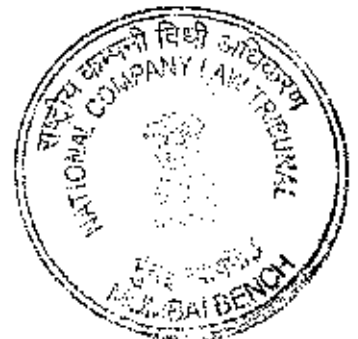
IV (I)	<i>Since the Macrotech Developers Limited the Transferee Company limited by shares, is listed on the Bombay Stock Exchange and National Stock Exchange, the Petitioner Company be directed to place on record whether necessary approval from SEBI and other concerned stock exchange have been obtained and whether the meeting of the Shareholders/class of shareholders have been convened as per the listing/SEBI guidelines.</i>	<i>As far as the observation of the Regional Director, as stated in IV (I) is concerned, the Second Petitioner Company, submits that the prior approval of SEBI and the concerned Stock Exchanges was not required as the Second Petitioner Company got listed subsequently after the admission of Application by the Tribunal. However, the Second Petitioner Company has served a notice of Company Scheme Application upon SEBI, the Bombay Stock Exchange and the National Stock Exchange vide letter dated 3rd day of July 2021 and no observations have been received by the Second Petitioner Company from them. Further, the Second Petitioner Company submits that in pursuance of the directions contained in the order of the Tribunal passed in Company Scheme Application C.A. (CAA) 985/MB/2020 on 26th May 2020 and by further</i>
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		<i>directions contained in the order passed in CA/37/MB/2021 on 17th June, 2021, Second Petitioner Company was granted dispensation from convening and holding the meeting of the Equity Shareholders based on the Consent Affidavits from the shareholders representing 100% shareholding in the Second Petitioner Company filed with the Tribunal on 15th April 2021. Therefore, the Second Petitioner Company was not required to convene the meeting of the Equity Shareholders.</i>
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IV (m)	Since the Transferor Company and the Transferee Company have foreign/non-resident shareholders, therefore, it is subject to the compliance of Section 55 of the Companies Act, 2013 the FEMA Regulations/RBI Guidelines by the Transferee Company.	As far as the observation of the Regional Director, as stated in IV (m) is concerned, the Petitioner Companies, through their Counsel, submit that there are no foreign shareholders in the First Petitioner Company. As far as the Second Petitioner Company is concerned, it is submitted that the Second Petitioner Company will not be issuing shares to any foreign shareholder, and hence the requirement of complying with section 55 of the Act and the FEMA/RBI Regulations is not applicable.
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IV (n)	<i>The Petitioner Companies to place on record and to provide details regarding meeting of Shareholders other than Promoters, has been convened or not and results thereof.</i>	<i>As far as the observation of the Regional Director, as stated in IV (n) is concerned, the Petitioner Companies, through their Counsel, submit that in pursuance of the directions contained vide the order of the Tribunal passed in Company Scheme Application C.A. (CAA) 985/MB/2020 on 26th May 2020 and by further directions contained in the order passed in CA/37/MB/2021 on 17th June, 2021, the First Petitioner Company convened and held the meeting of the Equity Shareholders on 23rd July, 2021 at 10 am through video conferencing and filed the Chairman's Report with this NCLT on 26th July, 2021. The said meeting was attended personally/authorised representative by 2 Equity Shareholders of the First Petitioner Company entitled together to total number of 10,000 Equity Shares having total value of Rs. 1,00,000 representing 99.90%</i>
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		<i>of the total value of Equity Shares of the First Petitioner Company. The Second Petitioner Company got dispensation from convening and holding the meeting of the Equity Shareholders basis the Consent affidavit filed with this NCLT on 15th April, 2021.</i>
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IV (o)	<i>As regards the complaints indicated at para 15 above, under the head - Status of Complaint as per MCA-e Service - Screen Shot, it is submitted that the Petitioners be directed to mention all the facts in this regard about complaints explain about the allegations made therein, and resolve complaints before approval of the scheme.</i>	<i>As far as the observation of the Regional Director, as stated in IV (o) is concerned, the Second Petitioner Company, through its Counsel, submits that complaint as referred in the said paragraph pertains to Non-Disclosure in Draft Red Hearing Prospectus and the Second Petitioner Company had submitted its reply to the Registrar of Companies, Mumbai, vide letter dated 04th day of September, 2018 and 30th October, 2018 basis which the SEBI has confirmed that the complaint is treated as closed. Further the Second Petitioner Company undertakes to deal with above said complaints and accordance with Law as and when any communication is received from ROC to the Company.</i>
IV (p)	<i>In view of the observation raised by the ROC Mumbai, mentioned at para 16 above Hon'ble NCLT may pass appropriate orders/orders as deem fit;</i>	<i>As far as the observation of the Regional Director, as stated in IV (p) the Petitioner Companies, through their Counsel,</i>



		<i>undertake to follow the instructions/directions given by ROC, Mumbai.</i>
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10. The observations made by the Regional Director have been explained in Para 9 above. The clarifications and undertakings given by the Petitioner Companies have been explained in Para 9 above. The clarifications and undertaking given by the Petitioner Companies are hereby accepted by the Tribunal.

11. The Regional Director has filed his Supplementary Report dated 16.09.2021 and has stated that basis the observations made by the Regional Director and the reply submitted by the Petitioner Companies, the Tribunal may decide the matter on its merit.

12. The Official Liquidator in his report dated 01.09.2021, after considering the responses submitted by the Transferor Company, has stated that the affairs of the Transferor Company have been conducted in a proper manner and not prejudicial to the interest of its members or to the public interest.

13. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy. All the assets and properties of the Transferor Company, of whatsoever nature and wheresoever situated, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested



in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and properties of the Transferee Company. Further, upon the coming into effect of this Scheme and with effect from the Appointed Date, all the liabilities of the Transferor Company, including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings related to the Transferor Company shall, pursuant to the sanction of this Scheme by the Tribunal under and in accordance with the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company in accordance with the Scheme.

14. Upon effectiveness of the Scheme and in consideration for the amalgamation of the Transferor Company into the Transferee Company, the Transferee Company shall, without any further act or deed, issue and allot to all the equity shareholders of the Transferor Company, except itself, whose names are appearing in the Register of Members of Transferor Company as on the Record Date 54,696, 7% Non-Cumulative Redeemable Preference Shares ('NCRPS') of INR 10/- each fully paid up of Macrotech Developers Limited to be issued for every 1 (One) Equity share of INR 10/- each held by the equity shareholders (other than Macrotech Developers Limited) of Palava Dwellers Private Limited .

15. On the Scheme becoming effective, equity shares of the Transferor Company held by the Transferee Company shall stand cancelled without any further act or deed.



16. Since all the requisite statutory compliances have been fulfilled, CP (CAA) 136/MB/2021 is made absolute in terms of the prayer clauses of the said Company Scheme Petition.

17. The Scheme is hereby sanctioned with the Appointed Date of 01.04.2019.

18. The Transferor Company be dissolved without winding up.

19. The Petitioner Companies are directed to file a copy of this Order along with a copy of the Scheme with the concerned Registrar of Companies, electronically along with e-form INC28 within 30 days from the date of receipt of the certified copy of Order by the Petitioner Companies. The Scheme will become effective on filing of the copy of this order with the concerned Registrar of Companies.

20. Petitioner Companies to lodge a copy of this Order along with the Scheme duly authenticated/certified by the Deputy Director or the Assistant Registrar, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, within 60 days from the date of receipt of the certified Order from the Registry of this Tribunal.

21. All concerned regulatory authorities to act on a copy of this Order along with Scheme duly certified by the Deputy Director or the Assistant Registrar, National Company Law Tribunal, Mumbai Bench.

22. Any person interested is at liberty to apply to this Tribunal in the above matters for any directions that may be necessary.



23. Any concerned Authorities are at liberty to approach this Tribunal for any further clarification as may be necessary.

24. Ordered accordingly.

SD/-
Anuradha Sanjay Bhatia
Member (Technical)

SD/-
Suchitra Kanuparthi
Member (Judicial)

Certified True Copy 28
Date of Application 28/10/2021
Number of Pages 28
Fee Paid Rs. 140
Application for collection copy on 20/12/2021
Copy received on 20/12/2021
Copy issued on 20/12/2021

P. S. Somnath
Deputy Registrar
National Company Law Tribunal, Mumbai Bench



SCHEME OF AMALGAMATION (MERGER BY ABSORPTION)

OF

PALAVA DWELLERS PRIVATE LIMITED

(TRANSFEROR COMPANY)

WITH

MACROTECH DEVELOPERS LIMITED

(TRANSFeree COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTION 230 TO 232 OF THE COMPANIES ACT, 2013 AND OTHER
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES
FRAMED THEREUNDER

A. PREAMBLE

The Scheme of Amalgamation (Merger by Absorption) ('Scheme') is presented under section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder, for the amalgamation of Palava Dwellers Private Limited (Hereinafter referred to as 'Transferor Company') with Macrotech Developers Limited (Hereinafter referred to as 'Transferee Company').

B. DESCRIPTION OF COMPANIES

1. Palava Dwellers Private Limited ('Transferor Company' or 'PDPL')

The Transferor Company was incorporated as a private limited company under the name and style of 'Eisa Trading Private Limited' in the State of Maharashtra on 14th March, 2017 vide CIN U74999MH2017PTC292371 and a certificate of incorporation was issued by the Registrar of Companies, Mumbai. The name of the Transferor Company was subsequently changed to 'Palava Dwellers Private Limited' on 1st March, 2018 and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Mumbai having Corporate Identity Number U70100MH2017PTC292371.

The Transferor Company is primarily engaged in the business of real estate development.

2. Macrotech Developers Limited, (formerly known as Lodha Developers Limited) ('Transferee Company' or 'MDL') was originally incorporated as a private limited company under the Companies Act 1956, on the 25th day of September 1995 and the



name and style of 'Lodha Developers Private Limited' vide Corporate Identity Number U45200MH1995PTC093041. On 10th August, 2009, the Transferee Company was converted into a Public Limited Company and its name was changed to 'Lodha Developers Limited'. Subsequently, on 11th January, 2013 the Transferee Company again got converted into a Private Limited Company and the name of the Transferee Company was changed to 'Lodha Developers Private Limited', and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Mumbai. Thereafter, on 14th March, 2018 the Transferee Company again got converted into a Public Limited Company, and the name was changed to 'Lodha Developers Limited', for which a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Mumbai having Corporate Identity Number U45200MH1995PLC093041. Further the Transferee Company changed its name from 'Lodha Developers Limited' to 'Macrotech Developers Limited' and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Mumbai dated 24th day of May, 2019.

The Transferee Company is primarily engaged in the business of real estate development.

C. RATIONALE OF THE SCHEME

The Transferor Company and the Transferee Company are engaged in similar line of business. Therefore, this Scheme will achieve the following primary benefits:

- Synergies arising out of consolidation of business, such as, enhancement of net worth of the combined business to capitalize on future growth potential, optimal utilization of resources;
- Achieving operational efficiencies and management efficiencies; and
- Reducing operational and compliance cost

D. PARTS OF THE SCHEME

This Scheme is divided into the following parts:

PART I deals with the definitions, interpretations and share capital;

PART II deals with the amalgamation of the Transferor Company with the Transferee Company; and

PART III deals with the general terms and conditions applicable to this Scheme.



PART I – DEFINITIONS, INTERPRETATIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless repugnant to the context, the following expressions shall have the following meaning:

- 1.1 **“Act” or “the Act”** means the Companies Act, 2013, and ordinances, rules and regulations made thereunder, and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force. References in this Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 2013, unless stated otherwise.
- 1.2 **“Applicable Law”** shall mean any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by the appropriate authority including any statutory modification or re-enactment thereof for the time being in force.
- 1.3 **“Appointed Date”** means the 1st day of April 2019 or such other date as may be fixed or approved by National Company Law Tribunal, Mumbai Bench.
- 1.4 **“Board of Directors” or “Board”** means the respective Board of Directors of the Transferor Company or the Transferee Company, as the case may be, and shall include any committee of directors constituted or appointed and authorized for the purposes of matters pertaining to this Scheme and or any other matter relating thereto.
- 1.5 **“Effective Date”** means the last of the dates on which the certified copies of the orders sanctioning this Scheme, passed by the National Company Law Tribunal at Mumbai, are filed with the Registrar of Companies, Mumbai by the Transferor Company and the Transferee Company. Any references in this Scheme to the date of “coming into effect of this Scheme” or “upon the Scheme becoming effective” shall mean the Effective Date.
- 1.6 **“Transferor Company”** means Palava Dwellers Private Limited, a private limited company incorporated under the Companies Act, 2013 on 14th March, 2017, and having its registered office at 412, Floor- 4, 17G Vardhaman Chamber Cawasji Patel Road, Horniman Circle, Fort, Mumbai 400001.
- 1.7 **“NCLT”** means the National Company Law Tribunal, Mumbai Bench having jurisdiction in relation to the Transferor Company and the Transferee Company and shall be deemed to include, if applicable, a reference to such other forum or authority which may be vested with any of the powers of NCLT to sanction the Scheme under the Act.
- 1.8 **“Registrar of Companies”** means the Registrar of Companies, Mumbai, Maharashtra.
- 1.9 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Merger by Absorption in its present form or with any modification(s) made under Clause 16 of the



Scheme as approved or directed by the NCLT or such other competent authority, as may be applicable.

- 1.10 **"Transferee Company"** means Macrotech Developers Limited, a public limited company incorporated under the Companies Act, 1956 on 25th September 1995, and having its registered office at 412, Floor- 4, 17G Vardhaman Chamber Cawasji Patel Road, Horniman Circle, Fort, Mumbai 400001.

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

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme as set out herein in its present form, or with any modification(s) or amendment(s) approved, imposed or directed by the NCLT shall be effective from the Appointed Date, as defined in Section 232(6) of the Act, but shall be operative from the Effective Date.

3. SHARE CAPITAL

- 3.1. The share capital of the Transferor Company as on 31st March 2019 is as under:

Particulars	Amount (in Rs.)
Authorised Capital	
20,000 Equity Shares of Rs.10/- each	2,00,000
Total	2,00,000
Issued, Subscribed and Paid-up Capital	
10,010 Equity Shares of Rs.10/- each fully paid-up	1,00,100
Total	1,00,100

Subsequent to 31st March 2019, there has been no change in the capital structure of the Transferor Company.

The Transferee Company holds 98.03% of paid up share capital of the Transferor Company and the balance is held by other individuals.

- 3.2. The share capital of the Transferee Company as on 31st March 2019 is as under:

Particulars	Amount (in Rs.)
Authorised Capital	
102,58,41,750 Equity Shares of Rs. 10/- each	1025,84,17,500
111,16,250 Preference Shares of Rs. 10/- each	11,11,62,500



Total	1036,95,80,000
Issued, Subscribed and Paid-up Capital	
39,58,78,000 Equity Shares of Rs. 10/- each, fully paid up	395,87,80,000
Total	395,87,80,000

Subsequent to 31st day of March, 2019, there has been no change in Issued, Subscribed and Paid up share capital of the Transferee Company. However, there has been change in the Authorized Share Capital of the Transferee Company. The current Share Capital structure of the Transferee Company as on date is as under :

Particulars	Amount (in Rs.)
Authorised Capital	
1,25,76,41,750 Equity Shares of Rs. 10/- each	12,57,64,17,500
1,26,86,250 Preference Shares of Rs. 10/- each	12,68,62,500
Total	12,70,32,80,000
Issued, Subscribed and Paid-up Capital	
39,58,78,000 Equity Shares of Rs. 10/- each, fully paid up	395,87,80,000
Total	395,87,80,000



PART II - AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

4. TRANSFER AND VESTING OF ENTIRE BUSINESS OF THE TRANSFEROR COMPANY INTO THE TRANSFEREE COMPANY

- 4.1. Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date and upon the Scheme becoming effective, the entire business of the Transferor Company shall under the provisions of Section 230 to 232 and other applicable provisions, if any, of the Act, and pursuant to the orders of the Tribunal or other appropriate authority, if any, sanctioning the Scheme shall without any further act, deed, matter or thing stand transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties and liabilities of the Transferee Company in accordance with the provisions of Section 2(1B) of the Income-tax Act, 1961.
- 4.2. With effect from the Appointed Date, the whole of the business of the Transferor Company, as a going concern, including its business, all secured and unsecured debts, liabilities, duties and obligations and all the assets, properties, rights, titles and benefits, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed) all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, licenses, registrations, copyrights, patents, trademarks and other rights and licenses in respect thereof, applications for copyrights, patents, trademarks, leases, licenses, tenancy rights, premise, ownership flats, hire purchase and lease arrangements, lending arrangements, joint venture agreements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all rights, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances accounts and all other rights, benefits of all agreements, subsidies, grants, tax holidays, tax losses, tax credits [including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, minimum alternate tax, taxes deducted at source, etc, benefits under the Sales Tax Act, sales tax set off, benefits of any unutilised MODVAT/CENVAT/Service tax credits, unutilised input tax credit of central goods and services tax ('CGST'), integrated goods and services tax ('IGST'), state goods and services tax ('SGST'), goods and services tax compensation cess ('GST Compensation



Cess') etc.], software license, domain / website etc. all files, papers, records engineering and catalogues, data quotations sales / advertisement materials and former customers (price information) / suppliers (credit information) other records whether in physical, electronic form in connection / relating to the Transferor Company and other claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, whether in India or abroad as on the Appointed Date, shall, under the provisions of sections 230-232 of the Act and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become from the Appointed Date, the business of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

- 4.3. With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licences, permissions, approvals, quotas or consents to carry on the respective operations and business of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the Statutory Authorities concerned in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, factory licences, environmental approvals and consents, sales tax, service tax, excise registrations, CGST, SGST, IGST or other licences and consents shall vest in and shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if instead of the Transferor Company, the Transferee Company had been the party thereto or the beneficiary or obligee thereof pursuant to this Scheme. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Company, as the case may be, are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions.

- 4.4. With effect from the Appointed Date, all respective debts, liabilities (including contingent liabilities), duties and obligations of every kind, nature and description of the Transferor Company, shall be deemed to have been transferred to the Transferee Company and to the extent they are outstanding on the Effective Date shall, without any further act, deed, matter or thing be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company which undertakes to meet, discharge and satisfy the same and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities and obligations have arisen in order to give effect to the provisions of this Clause. The Transferee Company shall issue/allot non-convertible



debentures to the optionally convertible debenture holders of the Transferor Company on the Effective Date.

- 4.5. Where any of the respective debts, liabilities (including contingent liabilities), duties and obligations of the Transferor Company as on the Appointed Date, deemed to be transferred to the Transferee Company have been discharged by the Transferor Company, after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company, and all loans raised and used and all liabilities and obligations incurred by the Transferor Company after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act, deed, matter or thing shall stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company which undertakes to meet, discharge and satisfy the same and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such loans and liabilities have arisen in order to give effect to the provisions of this Clause.
- 4.6. All the assets and properties which are acquired by the Transferor Company, on or after the Appointed Date but prior to the Effective Date shall be deemed to be and shall become the assets and properties of the Transferee Company and shall under the provisions of Sections 230-232 and all other applicable provisions if any of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230-232 of the Act.
- 4.7. Loans, advances and other obligations if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall stand cancelled and there shall be no liability in that behalf on either party.
- 4.8. The transfer and vesting of the undertakings of the Transferor Company as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Transferor Company. Provided always that this Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility availed of by the Transferor Company and the Transferee Company shall not be obliged to create or provide any further or additional security therefore after the Effective Date or otherwise.
- 4.9. Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, the Transferor Company and the Transferee Company shall execute all such instruments or documents or do all the acts and deeds as may be required, including the



filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Mumbai to give formal effect to the above provisions.

- 4.10. The provisions of this Scheme as they relate to the merger of the Transferor Company into Transferee Company, have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.
- 4.11. Upon the Scheme being sanctioned and taking effect, the Transferee Company shall be entitled to operate all bank accounts related to the Transferor Company and all cheques, drafts, pay orders, direct and indirect tax balances and/or payment advices of any kind or description issued in favour of the Transferor Company, either before or after the Appointed Date, or in future, may be deposited with the Bank of the Transferee Company and credit of all receipts there-under will be given in the accounts of the Transferee Company.

5. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 5.1. Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, approvals / permissions, schemes, insurance policies, indemnities, guarantees, arrangements and other instruments of whatsoever nature to which the Transferor Company are a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, the Transferee Company, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or there under.
- 5.2. 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 consents, permissions, licenses, certificates, clearances, authorities, power of attorney given by, issued to or executed in favour of the Transferor Company shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make application



and do all such acts or things which may be necessary to obtain relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

- 5.3. The Transferee Company, at any time after the Scheme becoming effective, in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company are a party, in order to give formal effect to the provisions of the Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances, referred to above, on behalf of the Transferor Company.

6. STAFF, WORKMEN & EMPLOYEES

- 6.1 Upon the coming into effect of this Scheme, all employees of the Transferor Company shall, become the employees of the Transferee Company, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the amalgamation of the Transferor Company with the Transferee Company. For the purpose of payment of all retirement benefits, the past services of such employees with the Transferor Company shall be taken into account from the date of their appointment with the Transferor Company and such benefits to which the employees are entitled in the Transferor Company shall also be taken into account, and paid (as and when payable) by the Transferee Company.
- 6.2 The accounts / funds of staff, workmen and employees; past or present, relating to pension and/or superannuation, provident fund, gratuity fund or any other special fund or trusts created or existing for the benefit of staff, workmen and employees of the Transferor Company shall be identified, determined and transferred to the respective Trusts / Funds of the Transferee Company and such employees shall be deemed to have become members of such Trusts / Funds of the Transferee Company.

7. LEGAL PROCEEDINGS

- 7.1 All suits, appeals or other legal proceedings of whatsoever nature are pending by or against the Transferor Company on or before the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme, but shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company, as if this Scheme had not been made.
- 7.2 The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in Clause 7.1 above transferred in its name



respectively and to have the same continued, prosecuted and enforced by or against the Transferee Company, to the exclusion of the Transferor Company.

8. TAXES

- 8.1 Any tax liabilities under the Income-tax Act, 1961, Wealth Tax Act, 1957, Customs Act, 1962, Central Excise Act, 1944, Maharashtra Value Added Tax Act, 2002, Central Sales Tax Act, 1956, any other state Sales Tax / Value Added Tax laws, Chapter V of Finance Act, 1994, The Integrated Goods and Services Tax Act, 2017, The Central Goods and Services Tax Act, 2017, Maharashtra Goods and Services Tax Act, 2017 and any other state Goods and Services Tax Act, 2017, The Goods and Services Tax (Compensation to States) Act, 2017, Stamp Laws or other applicable laws/ regulations (hereinafter in this Clause referred to as "Tax Laws") dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the Accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company.
- 8.2 All taxes (including income tax, wealth tax, sales tax, excise duty, customs duty, service tax, CGST, SGST, IGST, GST Compensation Cess, value added tax ('VAT'), etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, in so far as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, CGST, SGST, IGST, GST Compensation Cess, VAT, etc.), whether by way of deduction at source, advance tax or self assessment tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.
- 8.3 Any refund under the Tax Laws due to the Transferor Company consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall belong to and be received by the Transferee Company.
- 8.4 Any tax holiday under the provisions of Income Tax Act, 1961 to which the Transferor Company is eligible shall be construed as eligible to the Transferee Company and the benefit shall be deemed to be available to the Transferee Company in respect of the profits or activities or operation of the business on and from the Appointed Date.
- 8.5 Any profit already recognized under the accounting method of percentage of completion in the books of accounts of the Transferor Company and considered in taxable profit on the date immediately preceding the Appointed Date shall be deemed to have been recognized by the Transferee Company for the purpose of discharge of tax liability and for which no credit is taken on the date immediately preceding the Appointed Date.



- 8.6 Without prejudice to the generality of the above, all benefits including under the Income Tax Act, 1961, sales tax, excise duty, customs duty, service tax, CGST, SGST, IGST, GST Compensation Cess, VAT, etc., to which the Transferor Company are entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Transferee Company.

9. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

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

- 9.1 The Transferor Company undertake to preserve and carry on its business, with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber or otherwise deal with or dispose of any undertaking or any part thereof save and except in each case:
- a) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the Tribunal; or
 - b) if the same is expressly permitted by this Scheme; or
 - c) if the prior written consent of the Board of Directors of the Transferee Company has been obtained.
- 9.2 The Transferor Company shall carry on and be deemed to have carried on all business and activities and shall stand possessed of all the assets, rights, title and interest for and on account of, and in trust for the Transferee Company.

10. SAVING OF CONCLUDED TRANSACTION

The transfer and vesting of the assets, liabilities and obligations pertaining/relating to the Transferor Company, pursuant to this Scheme, and the continuance of the proceedings by or against the Transferee Company, under Clause 7 hereof shall not affect any transactions or proceedings already completed by the Transferor Company, on and after the Appointed Date to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company, as acts, deeds and things done and executed by and on behalf of the Transferee Company.

11. CONSIDERATION

- 11.1 Upon this Scheme becoming effective and in consideration of the transfer and vesting of all assets and liabilities of the Transferor Company into the Transferee Company in accordance with this Scheme, the Transferee Company shall issue and allot to every shareholder of the Transferor Company (other than shares held by the Transferee Company), holding fully paid up equity shares in the Transferor Company and whose names appear in the register of members of Transferor Company on the Record Date or to such of their heirs, executors, administrators or the successors-in-title, redeemable preference shares in the following share exchange ratio:



"54,696, 7% Non-Cumulative Redeemable Preference Shares ('NCRPS') of INR 10/- each fully paid up of MDL to be issued for every 1 (One) Equity share of INR 10/- each held by the equity shareholders (other than MDL) of PDPL."

11.2 Terms of Issue of Non-Cumulative Redeemable Preference Share

(a) Face Value

The NCRPS issued shall have face value of Rs. 10.

(b) Coupon

The NCRPS shall subject to the provisions of the Articles of Association of the Transferee Company and the Act, confer the holders of NCRPS a right to fixed preferential dividend of 7% per annum in priority to the equity shareholders. Dividend shall be payable annually.

(c) Voting Rights

The holder of the NCRPS shall have right to vote in general meeting of the Transferee Company in accordance with section 47 of the Companies Act, 2013.

(d) Redemption

The NCRPS issued shall be redeemable at par i.e. Rs. 10 per share, on the expiry of 3 years from the date of allotment.

(e) Taxation

All payments in respect of the redemption of NCRPS shall be made post any deduction of withholding taxes as may be applicable.

(f) Winding Up

In the event of winding up of the Transferee Company, the holders of the NCRPS shall have the right to receive of the paid up capital and arrears of dividend, whether declared or not, upto the commencement of winding up, in priority to any paid up capital on the equity shares but shall not have any further rights to participate in the profits of the assets of the Transferee Company.

11.3 The issue and allotment of NCRPS to the shareholders of PDPL, as provided in this Scheme, shall be deemed to be made in compliance with the procedure laid down under the Act.



- 11.4 In the event of there being any pending share transfer, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors or any Committee thereof of the Transferor Company shall be empowered even subsequent to the Effective Date, to effectuate such transfer as if such changes in the registered holder were operative from the Effective Date, as the case may be, in order to remove any difficulties arising on account of the transfer of shares.
- 11.5 The Transferee Company shall and to the extent required, increase or alter its Authorized Share Capital to facilitate the issue of NCRPS, as the case may be under this Scheme.
- 11.6 The issue and allotment of NCRPS by the Transferee Company to the shareholders of the Transferor Company is an integral part of this Scheme and shall be deemed to have been carried out without any further act or deed and the approval of the shareholders of the Transferee Company to the Scheme shall be deemed to be due compliance of the provisions of Sections 55 and 62 and other relevant or applicable provisions of the Act.

12. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEEE COMPANY

- 12.1 Upon the Scheme becoming effective, the Transferee Company shall account for the merger of the Transferor Company in its books of accounts with effect from the Appointed Date as per "Pooling of Interest Method" provided in **Appendix C** of Indian Accounting Standard 103 (Business combinations of entities under common control) notified under the provisions of the Companies Act, 2013. It would inter alia include the following:
- 12.2 All the assets, liabilities and reserves in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their carrying amount as appearing in the books of the Transferor Company.
- 12.3 Inter-company balances, loans and advances, investments and transactions if any, shall stand cancelled.
- 12.4 The difference between the amount of 7% Non Cumulative Redeemable Preference Share Capital issued as consideration including investment in the equity shares of Transferor Company, as appearing in the books of Transferee Company, and the equity share capital of the Transferor Company shall be transferred to Capital Reserve.
- 12.5 In case of any differences in the accounting policies between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date of merger



will be quantified and adjusted in the reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the true financial position on the basis of consistent accounting policies.

13. AGGREGATION OF AUTHORISED SHARE CAPITAL

- 13.1 Upon this Scheme becoming effective, the authorized share capital of the Transferor Company shall stand consolidated and vested in and be merged with the authorised share capital of the Transferee Company without any further act, instrument or deed on the part of the Transferee Company, including without payment of stamp duty and fees payable to Registrar of Companies, and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Section 13, Section 14, Section 61 and Section 232(3)(i) respectively of the Act or any other applicable provisions of the Act, as the case may be and for this purpose the stamp duties and fees paid on the authorised share capital of the Transferor Company shall be utilised and applied to the increased authorised share capital of the Transferee Company and no payment of any extra stamp duty and/or fee shall be payable by the Transferee Company for increase in the authorised share capital to that extent. Further, in the event of any increase in the authorised share capital of Transferor Company and/ or Transferee Company before the Effective Date, on sanctioning of the any other Scheme by the NCLT, such increase shall be given effect to while aggregating the authorised share capital.
- 13.2 Consequent upon the amalgamation, the authorised share capital of the Transferee Company will be amended/ altered/ modified as under:

Authorised Share Capital	Amount in Rs.
1,25,76,61,750 Equity Shares of Rs. 10/- each	12,57,66,17,500
1,26,86,250 Preference shares of Rs. 10/-each	12,68,62,500
Total	12,70,34,80,000

- 13.3 It is clarified that the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14 and 61 of the Act or any other applicable provisions of the Act shall be required to be separately passed.



PART III - GENERAL TERMS AND CONDITIONS

14. DISSOLUTION OF THE TRANSFEROR COMPANY WITHOUT WINDING UP

The Transferor Company shall be dissolved without winding up, on an order made by the NCLT under section 230 of the Act.

15. APPLICATION(S) TO NCLT

The Transferor Company and the Transferee Company shall make, as applicable, joint or separate applications / petitions, under section 230 to 232 and other applicable provisions of the Act to the NCLT for seeking approval of this Scheme and for dissolution of the Transferor Company.

16. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

16.1 Subject to approval of the NCLT, the Transferor Company and/or the Transferee Company, through their respective Board of Directors, may consent, on behalf of all persons concerned, to any modifications/amendments to the Scheme or to any conditions or limitations that the NCLT may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.

16.2 For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Transferee Company may give and are authorised to give such directions including directions for settling any question of doubt or difficulty that may arise.

16.3 In the event of any of the conditions imposed by the Tribunal or other authorities, which the Transferor Company and/or the Transferee Company may find unacceptable for any reason, in whole or in part, then the Transferor Company and/or the Transferee Company are at liberty to withdraw the Scheme.

17. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to the following:

17.1 The Scheme being approved by the requisite majorities of the respective members and creditors of the Transferor Company and the Transferee Company or dispensing the meetings, as may be directed by the NCLT.

17.2 The sanction of the Scheme by NCLT under the provisions of Sections 230 to 232 of the Act in favour of Transferor Company and Transferee Company, as the case may be.



under the said provisions and to the necessary order sanctioning the Scheme being obtained.

- 17.3 The certified copy of the order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies, Mumbai by the Transferor Company and the Transferee Company.

18. EFFECT OF NON-RECEIPT OF APPROVALS

- 18.1 In the event of any of the said sanctions and approvals referred to in the preceding Clause 17 not being obtained and/ or the Scheme not being sanctioned by the NCLT, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have 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. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme.

19. BINDING EFFECT

Upon the Scheme becoming effective, the same shall be binding on the Transferor Company and the Transferee Company and all concerned parties without any further act, deed, matter or thing.

20. SEVERABILITY

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the companies, affect the validity or implementation of the other parts and/ or provisions of this Scheme.

21. COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Transferee Company.

Certified True Copy _____
 Date of Application 25/12/2024
 Number of Pages 15
 Fee Paid Rs. 85
 Applicant called for collection copy on 25/12/2024
 Copy prepared on 27/12/2024
 Copy Issued on 27/12/2024



[Signature]
 Deputy Registrar

National Company Law Tribunal, Mumbai Bench