IVRCL Assets & Holdings Ltd.

IVRCL ASSETS & HOLDINGS LIMITED

M-22/3RT, Vijayanagar Colony Hyderabad – 500 057

NOTICE OF COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS

Date :	27th February, 2012
Day :	Monday
Time :	**2.30 p.m.**
Venue:	**KLN Prasad Auditorium, Federation House, FAPCCI,** Red Hills, Hyderabad – 500 004

IN THE HIGH COURT OF JUDICATURE OF ANDHRA PRADESH:
AT HYDERABAD
(ORIGINAL JURISDICTION)
COMPANY APPLICATION NO. 19 OF 2012
In the matter of Companies Act, 1956 (1 of 1956)
And
In the matter of Sections 391 and 394 of the said Act
And
In the matter of M/s. IVRCL Limited
And
In the matter of M/s. IVRCL Assets & Holdings Limited
And
In the matter of M/s. RIHIM Developers Private Limited
And
In the matter of M/s. IVRCL TLT Private Limited
And
Their Respective Shareholders

IVRCL Assets & Holdings Limited
a company incorporated under the
Companies Act, 1956 having its registered office at
M-22/3RT, Vijaynagar Colony, Hyderabad 500 057

...**TRANSFEROR COMPANY**

NOTICE CONVENING MEETING OF EQUITY SHAREHOLDERS

To,
The equity shareholders of **IVRCL Assets & Holdings Limited**

Take notice that by an order made on 24th January, 2012 in the above company application, the Hon'ble High Court of Andhra Pradesh has directed that a meeting of the equity shareholders of the Transferor Company ie., IVRCL Assets & Holdings Limited, be held at KLN Prasad Auditorium, Federation House, FAPCCI, Red Hills, Hyderabad – 500 004 on Monday the 27th Day of February , 2012 at 2.30 p.m. for the purpose of considering and if thought fit approving, with or without modification(s), the proposed Composite Scheme of Arrangement between IVRCL Limited, IVRCL Assets & Holdings Limited, RIHIM Developers Private Limited and IVRCL TLT Private Limited and their respective shareholders.

Take further notice that in pursuance of the said order, a meeting of the equity shareholders of the Transferor Company will be held on Monday, the 27th February, 2012, at KLN Prasad Auditorium, Federation House, FAPCCI, Red Hills, Hyderabad – 500 004 at 2.30 p.m. when you are requested to attend.

Take further notice that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you is deposited at the registered office of the Transferor Company, at M-22/3RT, Vijaynagar Colony, Hyderabad 500 057, not later than 48 hours before the meeting.

The Hon'ble High Court of Andhra Pradesh, Hyderabad has appointed Smt. N. Surekha to be the Chairperson of the said meeting.

A copy each of the statement under section 393 of the Companies Act, 1956, the Composite Scheme of Arrangement, and a form of proxy are enclosed.

Smt. N. Surekha
Advocate

Dated this the 30th day of January, 2012
Place: Hyderabad

Chairperson appointed for the meeting
H.No.: 29-1130 Vinayak Nagar,
Old Safilguda, Neredmet,
Hyderabad - 500 056.

IN THE HIGH COURT OF JUDICATURE OF ANDHRA PRADESH:
AT HYDERABAD
(ORIGINAL JURISDICTION)
COMPANY APPLICATION NO. 19 OF 2012
In the matter of Companies Act, 1956 (1 of 1956)
And
In the matter of Sections 391 and 394 of the said Act
And
In the matter of M/s. IVRCL Limited
And
In the matter of M/s. IVRCL Assets & Holdings Limited
And
In the matter of M/s. RIHIM Developers Private Limited
And
In the matter of M/s. IVRCL TLT Private Limited
And
Their Respective Shareholders

IVRCL Assets & Holdings Limited
a company incorporated under the
Companies Act, 1956 having its registered office at
M-22/3RT, Vijaynagar Colony, Hyderabad 500 057

...**TRANSFEROR COMPANY**

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. This is an explanatory statement accompanying the Notice convening the meeting of the equity shareholders of **IVRCL ASSETS & HOLDINGS LIMITED,** the Transferor Company, which has been convened pursuant to the directions of the Hon'ble High Court of Andhra Pradesh for the purposes of considering and if thought fit, approving with or without modification(s), the Composite Scheme of Arrangement ("the Scheme") between **IVRCL ASSETS & HOLDINGS LIMITED** [hereinafter referred to as "Transferor Company"] **IVRCL LIMITED** [hereinafter referred to as "the Amalgamated Company"] and **RIHIM DEVELOPERS PRIVATE LIMITED** [hereinafter referred to as "the Resulting Company 1"] and **IVRCL TLT PRIVATE LIMITED** [hereinafter referred to as "the Resulting Company 2"].

2. The Scheme envisages the demerger of Real Estate Business of IVRCL Assets & Holdings Limited into RIHIM Developers Private Limited, merger of IVRCL Assets & Holdings Limited into IVRCL Limited and demerger of Tower Undertaking of IVRCL Limited into IVRCL TLT Private Limited.

3. The Transferor Company is engaged, inter alia, in the business of real estate development and development and operation of infrastructure projects.

4. As per the latest audited balance sheet of the Transferor Company made as on March 31, 2011 its assets and liabilities were as follows:

I.	SOURCES OF FUNDS	(Rs. in million)
1.	Share Capital	1,970.48
2.	Reserves & Surplus	21,932.32
3.	Secured Loans	3,000.00
4.	Unsecured Loans	4,874.54
	Total	**31,777.34**
II.	**APPLICATION OF FUNDS**	
1.	Fixed Assets	134.17
2.	Investments	19,976.23
3.	Net Current Assets	11,666.94
	Total	**31,777.34**

5. The Amalgamated Company is engaged, *inter alia*, in the business of Infrastructure Development, Tower Manufacturing and Engineering Procurement and Construction business.

6. As per the latest audited balance sheet of the Amalgamated Company made as on March 31, 2011 its assets and liabilities were as follows:

I.	SOURCES OF FUNDS	(Rs. in million)
1.	Share Capital	534.02
2.	Reserves & Surplus	19,339.65
3.	Secured Loans	16,294.76
4.	Unsecured Loans	4,663.32
5.	Deferred Tax Liability	86.50
	Total	**40,918.25**
II.	**APPLICATION OF FUNDS**	
1.	Fixed Assets	6,918.07
2.	Capital Work in Progress	259.85
3.	Investments	6,347.00
4.	Net Current Assets	27,393.33
	Total	**40,918.25**

7. The Resulting Company 1 proposes to engage in the real estate business to be acquired from Transferor Company.

8. As per the latest audited balance sheet of the Resulting Company 1 made as on March 31, 2011 its assets and liabilities were as follows:

I.	SOURCES OF FUNDS	(Rs. in million)
1.	Share Capital	0.10
2.	Reserves & Surplus	0.00
	Total	**0.10**
II.	**APPLICATION OF FUNDS**	
1.	Fixed Assets	0.00
2.	Net Current Assets	0.03
3.	Profit and Loss Account	0.07
	Total	**0.10**

9. The Resulting Company 2 proposes to engage in the Tower Manufacturing business to be acquired from the Amalgamated Company.

10. As per the latest audited balance sheet of the Resulting Company 2 made as on March 31, 2011, its assets and liabilities were as follows:

I.	SOURCES OF FUNDS	(Rs. in million)
1.	Share Capital	0.10
2.	Reserves & Surplus	0.00
	Total	**0.10**
II.	**APPLICATION OF FUNDS**	
1.	Fixed Assets	0.00
2.	Net Current Assets	0.03
3.	Profit and Loss Account	0.07
	Total	**0.10**

11. The circumstances that have necessitated or justified the proposed Scheme and its main benefits are inter alia, summarised as under:

(a) To achieve synergistic integration and consolidation of the businesses presently being carried on by the Transferor Company and Amalgamated Company, which shall be beneficial to the shareholders, creditors and employees of such companies and to the interests of the public at large, as such amalgamation would create greater synergies between the businesses of the two companies and would enable them to have access to better financial resources as well as increase the managerial efficiencies, while effectively pooling the technical, distribution and marketing skills of each other.

(b) Enhancement of net worth of the combined business to capitalise on future infrastructure growth potential.

(c) To achieve strengthened leadership in the industry, in terms of the consolidated asset base, consolidated revenues of the combined entity.

(d) Demerger of Real Estate Undertaking and Tower Undertaking would assist in induction of joint venture partner/ strategic investor/ financial investor and pursue inorganic and organic growth opportunities in such businesses.

(e) Demerger of Real Estate Undertaking and Tower Undertaking into wholly owned subsidiaries would enable the company to have focused management attention towards the businesses and enable better growth in the same.

(f) Demerger of Real Estate Undertaking would enable delineation of the Real Estate Business whereby the infrastructure business can access finance from banks/ financial institutions at lower rates.

12. The salient features of the proposed Composite Scheme of Arrangement are as follows:

(a) The Scheme shall come into legal operation from the Appointed Date, which is April 1, 2011 though it shall be effective from the Effective Date.

(b) The scheme, *inter-alia*, provides for the following transactions:

(i) Demerger of the Real Estate Undertaking from Transferor Company into Resulting Company 1;

(ii) Merger of Remaining Undertaking of Transferor Company with the Amalgamated Company; and

(iii) Demerger of the Tower Undertaking of Amalgamated Company into Resulting Company 2.

(c) Consideration for the transfers

(i) In consideration of the demerger of Real Estate Undertaking of the Transferor Company and the merger of Remaining Undertaking of Transferor Company with the Amalgamated Company, the Amalgamated Company shall issue shares in the ratio of 5:6, ie., 5 shares of Rs.2 /-each of the Amalgamated Company for every 6 shares of Rs.10/- each held in the Transferor Company as on the record date.

(ii) Since the Tower Undertaking is being transferred to a wholly owned subsidiary of the Amalgamated Company, no consideration is being paid in respect of such transfer.

(d) The Scheme is conditional upon and subject to the sanction of Hon'ble High Court of Andhra Pradesh.

The members are requested to read the entire text of the Scheme, annexed to this notice, to get better acquainted with the provisions thereof. As stated above, the aforesaid are only salient features thereof.

13. Applications have been filed before The Bombay Stock Exchange Ltd, and The National Stock Exchange of India Ltd as per clause 24(f) of the Listing Agreement seeking their approval to the Composite Scheme of Amalgamation. The Transferor Company has obtained consents from the above mentioned stock exchanges to the proposed Composite Scheme of Amalgamation.

14. The pre and post amalgamation, (expected) shareholding pattern of the Transferor Company based on December 31, 2011 is as follows

Shareholding pattern of the Transferor Company prior to the Composite Scheme of Arrangement

Sr. No.	Category of Shareholder	Number of Shareholders	Total number of Shares	Total Shareholding as a percentage of Total No of Shares	
				% of Shares (A+B)	% of Shares (A+B+C)
(A)	**PROMOTER AND PROMOTER GROUP**				
(1)	**INDIAN**				
(a)	Individuals / Hindu Undivided Family	2	249531	0.13	0.13
(b)	Bodies Corporate	2	163270615	82.86	82.86
	Sub Total A (1):	**4**	**163520146**	**82.98**	**82.98**
(2)	**FOREIGN**	**0**	**0**	**0.00**	**0**
	Sub Total A (2):	**0**	**0**	**0.00**	**0.00**
	Total A = A(1) + A (2)	**4**	**163520146**	**82.98**	**82.98**
(B)	**PUBLIC SHAREHOLDING**				
(1)	**INSTITUTIONS**				
(a)	Mutual Funds / UTI	1	375000	0.19	0.19
(b)	Financial Institutions / Banks	6	371573	0.19	0.19
(c)	Venture Capital Funds	1	11627906	5.90	5.90
(d)	Foreign Institutional Investors	13	5415196	2.75	2.75
	Sub Total B (1)	**21**	**17789675**	**9.03**	**9.03**
(2)	**NON-INSTITUTIONS**				
(a)	Bodies Corporate	612	4084848	2.07	2.07
(b)	Individuals				
	(i) Individual holding nominal share capital up to Rs. 1 lakh	55760	8136934	4.13	4.13
	(ii) Individual holding nominal share capital in excess of Rs. 1 lakh	81	3164004	1.61	1.61
(c)	Others				
	Clearing Members	27	9817	-	-
	Non Resident Indians	280	342380	0.17	0.17
	Trusts	6	460	-	-
	Sub Total B (2)	56766	15738443	7.99	7.99
	Total B = B(1) + B (2)	**56787**	**33528118**	**17.02**	**17.02**
	Total (A)+(B)	**56791**	**197048264**	**100.00**	**100.00**
(C)	**Shares held by Custodians against which Depository Receipts have been issued**				
(a)	Promoter and Promoter Group	0	0	0.00	0.00
(b)	Public	0	0	0.00	0.00
	Total (A)+(B)+(C)	**56791**	**197048264**	**100.00**	**100.00**

Pursuant to the Scheme, the Transferor Company would stand dissolved and hence the shareholding post the Scheme of arrangement is not provided.

15. The pre and post arrangement, (expected) shareholding pattern of the Amalgamated Company based on December 31, 2011 is as follows

Shareholding pattern of the Amalgamated Company prior to the Composite Scheme of Arrangement

Sr. No.	Category of Shareholder	Number of Shareholders	Total number of Shares	Total Shareholding as a percentage of Total No of Shares	
				% of Shares (A+B)	% of Shares (A+B+C)
(A)	**PROMOTER AND PROMOTER GROUP**				
(1)	**INDIAN**				
(a)	Individual /HUF	10	22044304	8.26	8.26
(b)	Bodies Corporate	2	7807274	2.92	2.92
	Sub-Total A(1) :	**12**	**29851578**	**11.18**	**11.18**
(2)	**FOREIGN**	**0**	**0**	**0.00**	**0.00**
	Sub-Total A(2) :	**0**	**0**	**0.00**	**0.00**
	Total A=A(1)+A(2)	**12**	**29851578**	**11.18**	**11.18**
(B)	**PUBLIC SHAREHOLDING**				
(1)	**INSTITUTIONS**				
(a)	Mutual Funds /UTI	20	11987587	4.49	4.49
(b)	Financial Institutions /Banks	13	1870052	0.70	0.70
(c)	Insurance Companies	2	578642	0.22	0.22
(d)	Foreign Institutional Investors	95	99078575	37.11	37.11
	Sub-Total B(1) :	**130**	**113514856**	**42.51**	**42.51**
(2)	**NON-INSTITUTIONS**				
(a)	Bodies Corporate	1760	55308848	20.71	20.71
(b)	Individuals				
	(i) Individuals holding nominal share capital upto Rs.1 lakh	152907	54370942	20.36	20.36
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	39	5171692	1.94	1.94
(c)	Others				
	Non Resident Indians	2770	3596007	1.35	1.35
	Trusts	5	2650	0.00	0.00
	Foreign Bodies	2	3428	0.00	0.00
	Clearing Members	207	5189857	1.94	1.94
	Sub-Total B(2) :	**157690**	**123643424**	**46.31**	**46.31**
	Total B=B(1)+B(2) :	**157820**	**237158280**	**88.82**	**88.82**
	Total (A+B) :	**157832**	**267009858**	**100.00**	**100.00**
(C)	**Shares held by custodians, against which Depository Receipts have been issued**	0	0	0.00	0.00
(1)	Promoter and Promoter Group	0	0	0.00	0.00
(2)	Public	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	**157832**	**267009858**	**100.00**	**100.00**

Shareholding pattern of the Amalgamated Company post the Composite Scheme of Arrangement

Sr. No.	Category of Shareholder	Number of Shareholders	Total number of Shares	Total Shareholding as a percentage of Total No of Shares	
				% of Shares (A+B)	% of Shares (A+B+C)
(A)	**PROMOTER AND PROMOTER GROUP**				
(1)	**INDIAN**				
(a)	Individual /HUF	11	22252246	7.25	7.25
(b)	Bodies Corporate	3	19536024	6.37	6.37
	Sub-Total A(1) :	**14**	**41788270**	**13.62**	**13.62**
(2)	**FOREIGN**				
	Sub-Total A(2) :	**0**	**0**	**0.00**	**0.00**
	Total A=A(1)+A(2)	**14**	**41788270**	**13.62**	**13.62**
(B)	**PUBLIC SHAREHOLDING**				
(2)	**NON-INSTITUTIONS**				
(a)	Bodies Corporate	2003	58712658	19.13	19.13
(b)	Individuals				
	(i) Individuals holding nominal share capital upto Rs.1 lakh	202785	61986801	20.20	20.20
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	53	6596132	2.15	2.15
(c)	**Others**				
	Trusts	11	3030	0.00	0.00
	Non Resident Indians	2972	3881223	1.26	1.26
	Foreign Bodies	2	3428	0.00	0.00
	Director & Relatives	7	353395	0.12	0.12
	Clearing Members	217	5198026	1.69	1.69
	FRACTIONAL ALLOTMENT	1	24108	0.01	0.01
	Sub-Total B(2) :	**208051**	**136758801**	**44.56**	**44.56**
	Total B=B(1)+B(2) :	**208189**	**265098378**	**86.38**	**86.38**
	Total (A+B) :	**208203**	**306886648**	**100.00**	**100.00**
(C)	**Shares held by custodians, against which Depository Receipts have been issued**				
(1)	Promoter and Promoter Group	0	0	0	0
(2)	Public	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	**208203**	**306886648**	**100.00**	**100.00**

16. Details of equity shares held by the directors of the Transferor Company, in the Amalgamated Company, Transferor Company, Resulting Company 1 and the Resulting Company 2 are given below.

S. No.	Name of the Director	No. of shares held in			
		Amalgamated Company	Transferor Company	Resulting Company1	Resulting Company2
1	Mr. E. Sudhir Reddy	1,49,20,594	2,45,250	-	-
2	Mr. E. Sunil Reddy	25,11,010	-	-	-
3	Mr. R. Balarami Reddy	19,300	2,58,000	-	-
4	Mr. S. Ramachandran	-	2,250	-	-
5	Mr. Mr. T.N. Chaturvedi	4.550	30,000	-	-
6	Mr. P.R. Tripathi	-	-	-	-
7	Mr. T. R. C. Bose	-	-	-	-
8	Mr. V. Murahari Reddy	-	-	-	-

The directors of the Transferor Company are interested to the extent of the shares held by them in the Transferor Company and Amalgamated Company.

17. No investigation proceedings are pending under Section 235 to 251 of the Companies Act, 1956 against the Amalgamated Company or the Transferee Company or the Resulting Company 1 or the Resulting Company 2.

18. Copies of the following documents are open for inspection at the Registered Office of the Transferor Company between 10.30 a.m. to 12.30 p.m. on all working days of the Company.

(i) Memorandum and Articles of Association of the Amalgamated Company, Transferor Company, Resulting Company 1 and Resulting Company 2.

(ii) Annual reports of the Amalgamated Company, Transferor Company, Resulting Company 1 and Resulting Company 2 for the year ended March 31, 2011, containing the audited balance sheet, profit and loss account, directors' report and auditors' report.

(iii) Composite Scheme of Arrangement.

(iv) Certified copy of the order dated 24th January, 2012, passed by the Hon'ble High Court of Andhra Pradesh directing to convene the meetings of equity shareholders.

(v) Approvals received from the The Bombay Stock Exchange Ltd, and The National Stock Exchange of India Ltd under Clause 24(f) of the Listing Agreement.

(vi) Report on share swap ratio prepared by M/s SSPA & Co., Chartered Accountants.

(vii) Fairness opinion submitted by IDFC Capital Limited.

19. After the Scheme is approved by you, it will be further subject to the approval by the Hon'ble High Court of Andhra Pradesh.

Dated this the 30th day of January, 2012

Place: Hyderabad

Smt. N. Surekha
Advocate

Chairperson appointed for the meeting
H.No. : 29-1130 Vinayak Nagar,
Old Safilguda, Neredmet,
Hyderabad - 500 056.

COMPOSITE SCHEME OF ARRANGEMENT

(UNDER SECTIONS 391 TO 394 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956)

BETWEEN

IVRCL LIMITED (AMALGAMATED COMPANY)

AND

IVRCL ASSETS & HOLDINGS LIMITED (TRANSFEROR COMPANY)

AND

RIHIM DEVELOPERS PRIVATE LIMITED (RESULTING COMPANY 1)

AND

IVRCL TLT PRIVATE LIMITED (RESULTING COMPANY 2)

AND

THEIR RESPECTIVE SHAREHOLDERS

PREAMBLE

This Scheme of Arrangement is presented pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956, between IVRCL Limited (formerly known as IVRCL Infrastructures & Projects Limited), IVRCL Assets & Holdings Limited (formerly known as IVR Prime Urban Developers Limited), RIHIM Developers Private Limited (formerly known as IVR Prime Developers (Alwarpet) Private Limited) and IVRCL TLT Private Limited (formerly known as IVR Prime Developers (Pallavaram) Private Limited). The scheme is for the demerger of Real Estate Business of IVRCL Assets & Holdings Limited into RIHIM Developers Private Limited, merger of IVRCL Assets & Holdings Limited into IVRCL Limited and demerger of Tower Manufacturing Activity into IVRCL TLT Private Limited.

1. INTRODUCTION AND OBJECTIVE OF THE SCHEME

1.1 INTRODUCTION

1.1.1 IVRCL Limited

(i) IVRCL Limited ("IVRCL Ltd." or "Amalgamated Company") is a company incorporated under the Companies Act, 1956 having its registered office at M-22/3RT, Vijaynagar Colony, Hyderabad 500 057, India. IVRCL Ltd. was incorporated on November 16, 1987 (CIN No. L45201AP1987PLC007959).

(ii) The Company is engaged in the business of Engineering, Procurement & Construction and manufacturing of Transmission Towers.

1.1.2 IVRCL Assets & Holdings Limited

(i) IVRCL Assets & Holdings Limited ("IVRCL A&H" or "Transferor Company") is a company incorporated under the Companies Act, 1956 having its registered office at M-22/3RT, Vijaynagar Colony, Hyderabad 500057, India. IVRCL A&H was incorporated on June 28, 1996 (CIN No. L70100AP1996PLC024459). IVRCL A&H is a subsidiary of IVRCL Ltd. and IVRCL Ltd. holds approximately 76% of equity of IVRCL A&H.

(ii) The Company has the following two business divisions:- Real Estate Development/ Real Estate - Infrastructure Development

1.1.3 RIHIM Developers Private Limited

(i) RIHIM Developers Private Limited ("Resulting Company 1") is a company incorporated under the Companies Act, 1956 having its registered office at M-22/3RT, Vijaynagar Colony, Hyderabad, Andhra Pradesh – 500 057. Resulting Company 1 was incorporated on June 04, 2008 (CIN No. U5200AP2008PTC059509). Resulting Company 1 is a wholly owned subsidiary of IVRCL Ltd.

1.1.4 IVRCL TLT Private Limited

(i) IVRCL TLT Private Limited ("Resulting Company 2") is a company incorporated under the Companies Act, 1956 having its registered office at M-22/3RT, Vijaynagar Colony, Hyderabad, Andhra Pradesh – 500 057. Resulting Company 2 was incorporated on June 04, 2008 (CIN No. U40300AP2008PTC059517). Resulting Company 2 is a wholly owned subsidiary of IVRCL Ltd.

1.2 OBJECTIVES OF THE SCHEME

1.2.1 The circumstances that have necessitated or justified the proposed Scheme and its main benefits are inter alia, summarised as under:

(i) To achieve synergistic integration and consolidation of the businesses presently being carried on by the Transferor Company and Amalgamated Company, which shall be beneficial to the shareholders, creditors and employees of such companies and to the interests of the public at large, as such amalgamation would create greater synergies between the businesses of the two companies and would enable them to have access to better financial resources as well as increase the managerial efficiencies, while effectively pooling the technical, distribution and marketing skills of each other.

(ii) Enhancement of net worth of the combined business to capitalise on future infrastructure growth potential.

(iii) To achieve strengthened leadership in the industry, in terms of the consolidated asset base, consolidated revenues of the combined entity.

(iv) Demerger of Real Estate Undertaking and Tower Undertaking would assist in induction of joint venture partner/ strategic investor/ financial investor and pursue inorganic and organic growth opportunities in such businesses.

(v) Demerger of Real Estate Undertaking and Tower Undertaking into wholly owned subsidiaries would enable the company to have focused management attention towards the businesses and enable better growth in the same.

(vi) Demerger of Real Estate Undertaking would enable delineation of the Real Estate Business whereby the infrastructure business can access finance from banks/ financial institutions at lower rates.

1.3 PARTS OF THE SCHEME

The scheme is divided into the following parts:

Part I – deals with Definitions, Interpretations and Share Capital

Part II – deals with the Demerger of Real Estate Undertaking of Transferor Company into Resulting Company 1

Part III– deals with the Merger of Transferor Company with Amalgamated Company

Part IV – deals with the Issue of Shares for Part II and Part III of the Scheme

Part V – deals with the Demerger of Tower Undertaking of Amalgamated Company into Resulting Company 2

Part VI – deals with General Terms and Conditions

PART I

2. DEFINITIONS, INTERPRETATIONS AND SHARECAPITAL

2.1 DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings as mentioned herein below:

2.1.1 **"Act" or "the Act"** means the Companies Act, 1956, and rules made there under and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force;

2.1.2 **"Amalgamated Company"** means IVRCL Limited and shall have the meaning assigned to it in Clause 1.1.1 above;

2.1.3 **"Appointed Date" means** April 1, 2011 or such other date as may be fixed by the High Court;

2.1.4 **"Board of Directors" or "Board"** shall mean the Board of Directors of **Amalgamated Company, Transferor Company, Resulting Company 1 or Resulting Company 2,** as the case may be or any committee thereof duly constituted or any other person duly authorised by the Board for the purpose of this Scheme;

2.1.5 **"Effective Date"** means the last of the dates on which all the conditions and matters referred to in Clause 31 of the Scheme occur or have been fulfilled or waived in accordance with this Scheme;

2.1.6 **"High Court"** means the Honourable High Court of Andhra Pradesh at Hyderabad or the National Company Law Tribunal, as applicable;

2.1.7 **"NCDs"** means the 9.5% Series I secured redeemable non-convertible debentures aggregating Rs.150 Crores and 10.10% Series II unsecured redeemable non-convertible debentures aggregating Rs.100 Crores, of the Transferor Company, each of which are listed on the Wholesale Debt Market segment of National Stock Exchange of India Limited;

2.1.8 **"Real Estate Undertaking"** shall mean all the Real Estate Business of Transferor Company carried on anywhere in India or outside India and shall include all the assets, liabilities and employees of Transferor Company related to such Real Estate Business and in particular includes the following:

(a) immovable properties (whether freehold, leasehold or otherwise) more specifically described in Schedule I to the Scheme excluding development rights relating to land situated in Noida, Uttar Pradesh and related liabilities;

(b) Unless otherwise specifically mentioned in Schedule I, all assets and properties, whether movable or immovable, tangible or intangible, including all rights, title and interest in connection with the land and buildings thereon whether corporeal or incorporeal, leasehold or otherwise, plant and machinery, fixed or movable, and whether leased or otherwise, capital work in progress, other fixed assets, trademarks, brands, investments in shares (specifically relating to Real Estate Undertaking excluding investments in IVR Hotels and Resorts Limited), Development Rights, advances paid to any parties for acquisition of development rights, loans, advances, inventory and work in progress relating to the Real Estate Business of Transferor Company as on the Appointed Date.

(c) all the debts, borrowings and liabilities, including contingent liabilities, present or future, whether secured or unsecured, pertaining to the Real Estate Business of Transferor Company as on the Appointed Date.

(d) All statutory licenses, approvals, permissions, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, benefits of all contracts / agreements (including, but not limited to, contracts / agreements with vendors, customers, government etc.), all other rights (including, but not limited to, right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), relating to the Real Estate Business of Transferor Company as on the Appointed Date.

(e) all permanent employees and labour engaged in the Real Estate Business of Transferor Company.

(f) all earnest monies and/or security deposits in connection with or relating to the Real Estate Business of Transferor Company.

(g) all records, files, papers, engineering and process information, computer programs, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to Real Estate Business of the Transferor Company.

Whether any particular asset, liability or reserve should be included as asset, liability or reserve of the Real Estate Undertaking or otherwise shall be decided mutually by the Directors or any committee thereof of Transferor Company and Resulting Company 1;

2.1.9 **"Record date"** means the date to be fixed by the Board of Directors of the Amalgamated Company for determining names of the equity shareholders of the Transferor Company, who shall be entitled to shares of the Amalgamated Company as specified under Clause 19.1 of this Scheme;

2.1.10 **"Remaining Undertaking of Transferor Company"** shall mean and include the whole of assets, properties, liabilities and the undertaking(s) and entire business(s) of Transferor Company excluding the Real Estate Undertaking as defined in Clause 2.1.8 and specifically include the following (without limitation)

(a) All the assets / properties of Transferor Company, whether movable or immovable, whether tangible or intangible including all rights, title, interest, covenant, including continuing rights, title and interest in connection with the land and the buildings thereon whether, corporeal or incorporeal, leasehold or freehold as more specifically described in Schedule II, and includes all rights, titles, interest and covenant, undertakings, liability relating thereto, capital work in progress, other fixed assets, inventory and work in progress, investments in shares, Development Rights, advances paid to any parties for acquisition of development rights, all the loans and includes all rights, titles, interest and advances of Transferor Company as on the Appointed Date.

(b) All the debts and liabilities, present or future, whether secured or unsecured of the Transferor Company as on the Appointed Date.

(c) All statutory licenses, approvals, permissions, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, benefits of all contracts / agreements (including, but not limited to, contracts / agreements with vendors, customers, government etc.), all other rights (including, but not limited to, right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), of Transferor Company as on the Appointed Date.

(d) All staff, workmen, and employees engaged in Transferor Company;

(e) All records, files, papers, information, computer programs, manuals, data, catalogues, quotations, sales advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form of Transferor Company.

2.1.11 **"Resulting Company 1"** means RIHIM Developers Private Limited and shall have the same meaning as assigned to in Clause 1.1.3 above;

2.1.12 **"Resulting Company 2"** means IVRCL TLT Private Limited and shall have the same meaning as assigned to in Clause 1.1.4 above;

2.1.13 **"Scheme" or "this scheme" or "Composite Scheme of Arrangement"** means this Composite Scheme of Arrangement in its present form as submitted to the High Court of Andhra Pradesh, with such modification(s), if any, as may be approved or imposed or directed by the High Court;

2.1.14 **"Share Exchange Ratio"** means the ratio in which equity shares of the Amalgamated Company are to be issued and allotted to the shareholders of the Transferor Company under Clause 19.1;

2.1.15 **"Tower Undertaking"** shall mean the Tower Manufacturing Activity of Amalgamated Company carried on anywhere in India or outside India and shall include all the assets, liabilities and employees of Amalgamated Company related to such Tower Manufacturing Activity and in particular includes the following:

(a) all assets and properties, whether movable or immovable, tangible or intangible, including all rights, title and interest in connection with the land and buildings thereon whether corporeal or incorporeal, leasehold or otherwise including land taken on lease from Maharashtra Industrial Development Corporation as more specifically dealt with in Schedule III, plant and machinery, fixed or movable, and whether leased or otherwise, capital work in progress, other fixed assets, trademarks, brands, loans, advances, inventory and work in progress relating to the Tower Manufacturing Activity of Amalgamated Company as on the Appointed Date;

(b) all the debts, borrowings and liabilities, including contingent liabilities, present or future, whether secured or unsecured, pertaining to the Tower Manufacturing Activity of Amalgamated Company as on the Appointed Date;

(c) All statutory licenses, approvals, permissions, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, benefits of all contracts / agreements (including, but not limited to, contracts / agreements with vendors, customers, government etc.), all other rights (including, but not limited to, right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), relating to the Tower Manufacturing Activity of Amalgamated Company as on the Appointed Date.

(d) all permanent employees and labour engaged in the Tower Manufacturing Activity of Amalgamated Company;

(e) all earnest monies and/or security deposits in connection with or relating to the Tower Manufacturing Activity of Amalgamated Company.;

(f) all records, files, papers, engineering and process information, computer programs, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to Tower Manufacturing Activity of Amalgamated Company.

Whether any particular asset, liability or reserve should be included as asset, liability or reserve of the Tower Undertaking or otherwise shall be decided mutually by the Directors or any committee thereof of Amalgamated Company and Resulting Company 2.

2.1.16 **"Transferor Company"** means IVRCL Assets & Holdings Limited and shall have the same meaning as assigned to in clause 1.1.2 above;

2.2 Any references in this Scheme to "upon this Scheme becoming effective" or "upon coming into effect of this Scheme" or "upon the Scheme coming into effect" shall mean the Effective Date.

2.3 The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act and / or other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time. In particular, wherever reference is made to the Honourable High Court(s) in this Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal or such other forum or authority, as may be vested with any of the powers of a High Court under the Act.

2.4 DATE OF TAKING EFFECT AND OPERATIVE DATE

2.4.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court, shall be effective from the Appointed Date, but shall be operative from the Effective Date.

2.5 SHARE CAPITAL OF THE COMPANIES

2.5.1 The share capital of Amalgamated Company. as on April 1, 2011 is as under:

Particulars	Amount in Rupees
Authorised	
27,50,00,000 equity shares of Rs. 2 each	55,00,00,000
2,50,00,000 preference shares of Rs. 2 each	5,00,00,000
Issued, subscribed and paid-up	
26,70,09,858 equity shares of Rs. 2 each, fully paid up	53,40,19,716

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

2.5.2 The share capital of Transferor Company as on April 1, 2011 is as under:

Particulars	Amount in Rupees
Authorised 27,00,00,000 equity shares of Rs. 10 each	270,00,00,000
Issued, subscribed and paid up 19,70,48,264 equity shares of Rs. 10 each, fully paid up	197,04,82,640

The authorised, issued, subscribed and paid-up capital of Transferor Company is the same as above as on the date of Board meeting sanctioning the Scheme.

2.5.3 The share capital of Resulting Company 1 as on April 1, 2011 is as under

Particulars	Amount in Rupees
Authorised 10,000 equity shares of Rs.10 each	1,00,000
Issued, subscribed and paid up 10,000 equity shares of Rs. 10 each, fully paid up	1,00,000

The authorised, issued, subscribed and paid-up capital of Resulting Company 1 is the same as above as on the date of Board meeting sanctioning the Scheme.

2.5.4 The share capital of Resulting Company 2 as on April 1, 2011 is as under:

Particulars	Amount in Rupees
Authorised 10,000 equity shares of Rs. 10 each	1,00,000
Issued, subscribed and paid up 10,000 equity shares of Rs. 10 each, fully paid up	1,00,000

The authorised, issued, subscribed and paid-up capital of Resulting Company 2 is the same as above as on the date of Board meeting sanctioning the Scheme.

PART II

DEMERGER OF REAL ESTATE UNDERTAKING OF TRANSFEROR COMPANY INTO RESULTING COMPANY 1

3. TRANSFER AND VESTING OF REAL ESTATE UNDERTAKING

3.1. Upon this Scheme becoming effective and with effect from the Appointed Date, all properties, assets (including investments), liabilities forming part of Real Estate Undertaking of the Transferor Company shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company 1 under the provisions of Section 391 to 394 of the Act and in accordance with Section 2(19AA) of the Income-tax Act, 1961, without any further act, deed, matter or thing be and stand transferred to and vested in and shall be deemed to be transferred to and vested in the Resulting Company 1 on a going concern basis.

3.2. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all immovable property (including land, buildings and any other immovable property) of the Real Estate Undertaking of the Transferor Company, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto, shall stand vested in the Resulting Company 1, without any act or deed done by the Transferor Company or the Resulting Company 1, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Resulting Company 1 shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Resulting Company 1 by the appropriate authorities pursuant to the sanction of the Scheme by the Court and the Scheme becoming effective in accordance with the terms hereof. The Transferor Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to the Resulting Company1.

3.3. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all the assets of the Real Estate Undertaking of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall stand vested in the Resulting Company 1, and shall become the property and an integral part of the Resulting Company 1. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested, and the title to such property shall be deemed to have transferred and vested accordingly. No stamp duty shall be payable on the transfer of such movable properties (including shares and other investments, which are in dematerialised form) upon its transfer and vesting in Resulting Company 1.

3.4. In respect of movables other than those dealt with in Clause 3.3 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, development rights, advances paid to any parties for acquisition of development rights, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Resulting Company 1 without any notice or other intimation to the debtors (although the Resulting Company 1 may, without being obliged, and if it so deems appropriate, at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositee, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Resulting Company 1).

3.5. Upon the coming into effect of this Scheme and with effect from the Appointed Date all liabilities relating to and comprised in the Real Estate Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company 1 under the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing.

3.6. The transfer and vesting as aforesaid shall be subject to subsisting charges, if any, in respect of any assets of Real Estate Undertaking of Transferor Company.

PROVIDED always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Company and Resulting Company 1 shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise.

3.7. All staff, workmen and employees as detailed under sub-clause (e) of Clause 2.1.8 above in relation to the Transferor Company shall stand transferred to the Resulting Company 1, without any further act or deed to be done by the Transferor Company or the Resulting Company 1.

3.8. All items as detailed under sub-clause (f) and (g) of Clause 2.1.8 in relation to the Transferor Company shall stand transferred to or vested in the Resulting Company 1, without any further act or deed done by the Transferor Company or the Resulting Company 1.

3.9. Pursuant to the scheme becoming effective, the Resulting Company 1 shall, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangement with any party to any contract or arrangement relating to Real Estate Undertaking to which the Transferor Company is a party in order to give formal effect to the above provisions. The Resulting Company 1 shall, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.

3.10. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all existing and future incentives, unavailed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including Minimum Alternative Tax), excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax etc relating to the Real Estate Undertaking to which Transferor Company is entitled to shall be available to and vest in the Resulting Company 1.

3.11. Pursuant to this Scheme becoming effective, the Resulting Company 1 shall be entitled to secure the record of the change in the legal ownership upon the vesting of the assets of the Transferor Company relating to Real Estate Undertaking in accordance with the provisions of Sections 391 to 394 of the Act. The Transferor Company and the Resulting Company 1 shall be jointly and severally authorised to execute any writings and / or carry out any formalities or compliance in this regard.

3.12. All the licenses, permits, quotas, approvals (including, but not limited to, environmental approvals, statutory and regulatory approvals), permissions, registrations, incentives, accumulated tax losses, MAT Credit entitlement, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, relating to Real Estate Undertaking shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Resulting Company 1 so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, accumulated tax losses, MAT Credit entitlement, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Resulting Company 1 and shall remain valid, effective and enforceable on the same terms and conditions.

3.13. The Resulting Company 1 may, at its discretion, but shall not be compulsorily required to, file relevant intimations, for the record of the statutory authorities signifying the transfer of the assets / properties including, but not limited to, permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorisations of the Transferor Company relating to the Real Estate Undertaking.

4. LEGAL PROCEEDINGS

4.1. If any suit, appeal or other proceedings of whatever nature by or against the Transferor Company relating to the Real Estate Undertaking is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of this demerger or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Resulting Company 1 in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

4.2. On and from the Effective Date, the Resulting Company 1 shall, and may, if required, initiate, continue any legal proceedings in relation to the Real Estate Undertaking of the Transferor Company.

5. CONTRACTS, DEEDS OTHER INSTRUMENTS

5.1. Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature relating to Real Estate Undertaking to which the Transferor Company is a party, or the benefit to which the Transferor Company may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favour of Resulting Company 1 and may be enforced as fully and effectively as if instead of the Transferor Company, the Resulting Company 1 had been a party or beneficiary thereto. Further, Resulting Company 1 shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company, to give effect to the provisions of this Scheme.

5.2. As a consequence of the demerger of the Real Estate Undertaking of the Transferor Company into Resulting Company 1 in accordance with or pursuant to this Scheme, the recording of change in name in the records of the statutory or regulatory authorities from the Transferor Company to the Resulting Company 1, whether pertaining to any licence, permit, approval or any other matter, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority.

6. STAFF, WORKMEN, AND EMPLOYEES

6.1. Upon the Scheme becoming effective, all staff, workmen and employees on the payrolls of the Transferor Company relating to Real Estate Undertaking, in service on the Effective Date shall be deemed to have become staff, workmen, and employees of Resulting Company 1 on such date without any break or interruption in their service and on the terms and conditions of their employment not less favourable than those subsisting with reference to Transferor Company as on the said date.

6.2. As of the date of filing of this Scheme, the Transferor Company shall make contributions to the government maintained provident fund and / or other funds in relation to all its staff, workmen and employees. The Resulting Company 1 shall, subsequent to the Effective Date, make appropriate contributions towards such provident fund and / or other funds in respect of the staff, workmen and employees taken over by it pursuant to this Scheme.

6.3. It is clarified that the services of all transferred staff, workmen and employees of the Transferor Company, to the Resulting Company 1 will be treated as having been continuous for the purpose of the aforesaid employee benefits and / or liabilities. For the purpose of payment of any retrenchment compensation, gratuity, and / or other terminal benefits, and / or any other liability pertaining to staff, workmen and employees, the past services of such staff, workmen and employees with the Transferor Company shall also be taken into account by the Resulting Company 1, who shall pay the same if and when payable.

7. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

7.1. With effect from the Appointed Date up to the Effective Date:

7.1.1. Transferor Company shall carry on, and be deemed to have carried on its business, operations or activities, and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets, properties, liabilities relating to Real Estate Undertaking on behalf of and / or in trust for the Resulting Company 1.

7.1.2. All profits or income accruing or arising to the Transferor Company, or losses arising or expenditure incurred by it, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure, as the case may be, of the Resulting Company 1.

7.1.3. All assets howsoever acquired by the Transferor Company for carrying on its business, operations or activities and the liabilities relating to the Real Estate Undertaking shall be deemed to have been acquired and are also contracted for and on behalf of the Resulting Company 1.

7.2. The Resulting Company 1 shall also be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, department and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Resulting Company 1 may require including the registration, approvals, exemptions, relieves, etc., as may be required / granted under any law for the time being in force for carrying on business of Real Estate Undertaking of the Transferor Company.

7.3. The transfer of assets, properties liabilities of Real Estate Undertaking and the continuance of proceedings relating thereto by or against the Transferor Company shall not affect any transaction or proceedings already concluded by the Transferor

Company on or after the Appointed Date to the end and intend that the Resulting Company 1 accepts and adopts all acts, deeds things done and executed by the Transferor Company, in regard thereto as done executed by the Resulting Company 1 on behalf of itself.

8. ACCOUNTING TREATMENT

8.1. IN THE BOOKS OF RESULTING COMPANY 1

8.1.1. Upon coming into effect of this Scheme, Resulting Company 1 shall record the assets and liabilities of the Real Estate Undertaking at the respective book values appearing in the books of Transferor Company at the close of business on the day immediately preceding the Appointed Date.

8.1.2. The Resulting Company 1 shall credit an amount equal to the excess/ deficit of the assets over liabilities to "General Reserve Account".

8.2. IN THE BOOKS OF TRANSFEROR COMPANY

8.2.1. Upon the coming into effect of this Scheme, the book value of assets and liabilities transferred to the Resulting Company 1 shall be reduced from the book value of assets and liabilities of Transferor Company.

8.2.2. An amount equal to the net book value of assets transferred to Resulting Company 1 would be debited to Capital Reserve Account.

9. REMAINING UNDERTAKING OF THE TRANSFEROR COMPANY

9.1. The Remaining Undertaking of the Transferor Company as defined in Clause 2.1.10 after demerger of Real Estate Undertaking shall continue to belong to and be vested in and be managed by the Transferor Company.

PART III

MERGER OF TRANSFEROR COMPANY WITH AMALGAMATED COMPANY

10. TRANSFER AND VESTING OF REMAINING UNDERTAKING OF TRANSFEROR COMPANY

10.1. Upon this Scheme becoming effective and with effect from the Appointed Date, all properties, assets including investments, and liabilities of the Remaining Undertaking of the Transferor Company shall stand transferred to and vested in or deemed to be transferred to and vested in the Amalgamated Company under the provisions of Section 391 to 394 and all other applicable provisions, if any, of the Act and also in accordance with section 2(1B) of the Income Tax Act, 1961, without any further deed or act, subject to existing charges or *lis pendens*, if any thereon, in favour of banks / financial institutions.

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

10.3. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all the assets of the Remaining Undertaking of Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall stand vested in the Amalgamated Company, and shall become the property and an integral part of the Amalgamated Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested, and the title to such property shall be deemed to have transferred and vested accordingly. No stamp duty shall be payable on the transfer of such movable properties (including shares and other investments, which are in dematerialised form) upon its transfer and vesting in Amalgamated Company.

10.4. In respect of movables other than those dealt with in Clause 10.3 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, property development rights, advances paid to any parties for acquisition of development rights, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Amalgamated Company without any notice or other intimation to the debtors (although the Amalgamated Company may, without being obliged, and if it so deems appropriate, at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositee, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Amalgamated Company).

10.5. Upon the coming into effect of this Scheme and with effect from the Appointed Date all liabilities relating to and comprised in the Remaining Undertaking 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 of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Amalgamated Company under the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing.

10.6. Upon the coming into effect of the Scheme and without prejudice to the aforesaid, the NCDs and other instruments of like nature issued by the Transferor Company shall, pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act, without any further act, instrument or deed, become the debt securities of the Amalgamated Company on the same terms and conditions except to the extent modified under the provisions of this Scheme and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Amalgamated Company as if it was the issuer of the NCDs and other instruments so transferred.

10.7. Subject to the requirements, if any, imposed or concessions, if any, by the Stock Exchanges, and other terms and conditions agreed with the Stock Exchanges, the non convertible debentures which stand transferred to the Amalgamated Company pursuant to transfer of the NCDs under Clause 10.6 above, shall be listed and/or admitted to trading on the Wholesale Debt Market segment of National Stock Exchange of India Limited, where the NCDs are currently listed and/or admitted to trading.

10.8. The transfer and vesting as aforesaid shall be subject to subsisting charges, if any, in respect of any assets of Transferor Company.

PROVIDED always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Company and Amalgamated Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise.

10.9. All staff, workmen and employees as provided under sub-clause (d) of Clause 2.1.10 in relation to the Transferor Company shall stand transferred to the Amalgamated Company, without any further act or deed to be done by the Transferor Company or the Amalgamated Company.

10.10. All items as detailed under sub-clause (e) of Clause 2.1.10 in relation to the Remaining Undertaking of Transferor Company shall stand transferred to or vested in the Amalgamated Company, without any further act or deed done by the Transferor Company or the Amalgamated Company.

10.11. Pursuant to the scheme becoming effective, the Amalgamated Company shall, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangement with any party to any contract or arrangement to which the Transferor Company is a party in order to give formal effect to the above provisions. The Amalgamated Company shall, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.

10.12. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all existing and future incentives, unavailed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including Minimum Alternative Tax), excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax etc to which Transferor Company are entitled to shall be available to and vest in the Amalgamated Company.

10.13. All taxes, duties, cess payable by the Transferor Company including all or any refunds / credit / claims pertaining to the period prior to the Appointed Date shall be treated as the liability or refunds / credit / claims, as the case may be, of the Amalgamated Company.

10.14. Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between Transferor Company and the Amalgamated Company shall be considered as intra-party transactions for all purposes from the Appointed Date.

10.15. All the licenses, permits, quotas, approvals (including, but not limited to, environmental, statutory and regulatory approvals and consents), permissions, registrations, incentives, tax deferrals, brought forward business losses, unabsorbed depreciation and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Amalgamated Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Amalgamated Company and shall remain valid, effective and enforceable on the same terms and conditions.

10.16. With effect from the Appointed Date, all letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders, contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the

Transferor Company to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall remain in full force and effect against or in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Amalgamated Company had been a party or beneficiary or obligee thereto. Upon coming into effect of the Scheme, the past track record of the Transferor Company including without limitation, the turnover, the profitability, performance and market share shall be deemed to be the track record of the Amalgamated Company for all commercial and regulatory purposes.

10.17. The Amalgamated Company may, at its discretion, but shall not be compulsorily required to, file relevant intimations, for the record of the statutory authorities signifying the transfer of the assets / properties including, but not limited to, permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorisations of the Transferor Company.

11. LEGAL PROCEEDINGS

11.1. If any suit, appeal or other proceedings of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of this amalgamation or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Amalgamated Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

11.2. On and from the Effective Date, the Amalgamated Company shall, and may, if required, initiate, continue any legal proceedings in relation to the Transferor Company.

12. CONTRACTS, DEEDS OTHER INSTRUMENTS

12.1. Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party, or the benefit to which the Transferor Company may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favour of Amalgamated Company and may be enforced as fully and effectively as if instead of the Transferor Company, the Amalgamated Company had been a party or beneficiary thereto. Further, Amalgamated Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company, to give effect to the provisions of this Scheme.

12.2. As a consequence of the amalgamation of the Transferor Company with the Amalgamated Company in accordance with or pursuant to this Scheme, the recording of change in name in the records of the statutory or regulatory authorities from the Transferor Company to the Amalgamated Company, whether pertaining to any licence, permit, approval or any other matter, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority.

12.3. For removal of doubts, it is expressly made clear that the dissolution of the Transferor Company without the process of winding up as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operation of any contract, agreement, deed or any other instrument or beneficial interest to which the Transferor Company is a party thereto and shall not affect any right, privilege, obligations or liability, acquired, or deemed to be acquired prior to Appointed Date and all such references in such agreements, contracts and instruments to the Transferor Company shall be construed as reference only to the Amalgamated Company with effect from the Appointed Date.

13. STAFF, WORKMEN, AND EMPLOYEES

13.1. Upon the Scheme becoming effective, all staff, workmen and employees on the payrolls of the Transferor Company, in service on the Effective Date shall be deemed to have become staff, workmen, and employees of Amalgamated Company on such date without any break or interruption in their service and on the terms and conditions of their employment not less favourable than those subsisting with reference to Transferor Company as on the said date.

13.2. As of the date of filing of this Scheme, the Transferor Company shall make contributions to the government maintained provident fund and / or other funds in relation to all its staff, workmen and employees. The Amalgamated Company shall subsequent to the Effective Date make appropriate contributions towards such provident fund and / or other funds in respect of the staff, workmen and employees taken over by it pursuant to this Scheme.

13.3. It is clarified that the services of all transferred staff, workmen and employees of the Transferor Company, to the Amalgamated Company will be treated as having been continuous for the purpose of the aforesaid employee benefits and / or liabilities. For the purpose of payment of any retrenchment compensation, gratuity, and / or other terminal benefits, and / or any other liability pertaining to staff, workmen and employees, the past services of such staff, workmen and employees with the Transferor Company shall also be taken into account by the Amalgamated Company, who shall pay the same if and when payable.

14. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

14.1. With effect from the Appointed Date up to the Effective Date:

14.1.1. Transferor Company shall carry on, and be deemed to have carried on its business, operations or activities, and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets, properties, liabilities or Undertaking(s) on behalf of and / or in trust for the Amalgamated Company.

14.1.2. All profits or income accruing or arising to the Transferor Company, or losses arising or expenditure incurred by it, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure, as the case may be, of the Amalgamated Company.

14.1.3. It is clarified that any advance tax paid / TDS credits / TDS certificates received by the Transferor Company shall be deemed to be the advance tax paid by / TDS credit / TDS certificate of the Amalgamated Company.

14.1.4. All assets howsoever acquired by the Transferor Company for carrying on its business, operations or activities and the liabilities relating thereto shall be deemed to have been acquired and are also contracted for and on behalf of the Amalgamated Company.

14.2. The Amalgamated Company shall also be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, department and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Amalgamated Company may require including the registration, approvals, exemptions, relieves, etc., as may be required / granted under any law for the time being in force for carrying on business of the Transferor Company.

14.3. Without prejudice to the above, the Transferor Company from the date of filing this Scheme with the High Court upto and including the Record Date shall not make any change in its capital structure, whether by way of increase (by issue of equity shares on a rights basis, bonus shares or otherwise) decrease, reduction, reclassification, sub-division or consolidation, reorganisation, or in any other manner which may, in any way, affect the Share Exchange Ratio except under any of the following circumstances:

(i) By mutual consent of the respective Board of Directors of the Transferor Company and Amalgamated Company; or

(ii) By way of any obligation already subsisting as on the date of filing this Scheme with the High Court.

14.4. The transfer of assets, properties, liabilities or Undertaking(s) and the continuance of proceedings by or against the Transferor Company shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds things done and executed by the Transferor Company, in regard thereto as done executed by the Amalgamated Company on behalf of itself.

15. DISSOLUTION WITHOUT WINDING UP

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

16. VALIDITY OF EXISTING RESOLUTIONS, ETC

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

17. CONSOLIDATION OF AUTHORISED CAPITAL

17.1. Upon this Scheme becoming effective, the authorised share capital of the Amalgamated Company shall automatically stand increased without any further act, instrument or deed, by the authorised share capital of the Transferor Company, amounting in aggregate to Rs. 325,00,00,000 (Rupees Three Hundred and Twenty five crores) divided into 162,50,00,000 (One Hundred and Sixty Two crores and Fifty lakh only) equity shares of Rs 2/- each 2,50,00,000 (Two crores and Fifty lakh only) preference shares of Rs 2/- each and the memorandum and articles of association of Amalgamated Company (relating to authorised share capital) shall without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purpose of effecting this amendment, and no further resolution(s) under Section 16, 31, 94 or any other applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duty and fees paid on the authorised capital of the Transferor Company shall be utilised and applied to the increased authorised share capital of Amalgamated Company and there would be no requirement for any other further payment of stamp duty and / or fee by Amalgamated for increase in the authorised share capital to that extent. Pursuant to the Scheme becoming effective and consequent upon the merger of Transferor Company into Amalgamated Company, the authorised share capital of Amalgamated Company will be as under:

AUTHORISED SHARE CAPITAL:	Amount in Rupees
162,50,00,000 Equity shares of Rs 2 each	325,00,00,000
2,50,00,000 Preference shares of Rs 2 each	5,00,00,000

17.2. It is clarified that the approval of the members of Amalgamated Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the memorandum and article of association of Amalgamated Company as may be required under the Act and Clause V (a) of the Memorandum of Association of Amalgamated Company shall stand substituted by virtue of the scheme to be read as follows:

"Clause V (a) of the memorandum of association:

"The authorised share capital of the company is Rs. 325,00,00,000/- (Rupees Three Hundred and Twenty five crores only) divided into 162,50,00,000 (One Hundred and Sixty-Two crore and Fifty lakh only) equity shares of Rs. 2/- each and 2,50,00,000 preference shares of Rs. 2/- each with a power to increase and reduce the capital and divide the shares in the capital for the time being into several classes subdivide the face value of the shares, issue warrants entitling the holders for shares and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined under the provisions of the Companies Act, 1956."

Article 3(a) of the articles of association shall stand modified as follows:

"The Authorized Share Capital of the Company is Rs. 325,00,00,000 (Rupees Three Hundred and Twenty five Crores Only) divided into 162,50,00,000 (One Hundred and Sixty Two Crore and Fifty Lakh Only) equity shares of Rs. 2/- each and 2,50,00,000 (Two Crore and Fifty Lakh Only) preference shares of Rs. 2/- each"

18. ACCOUNTING TREATMENT

18.1. IN THE BOOKS OF AMALGAMATED COMPANY:

18.1.1. Upon the Scheme becoming effective, Amalgamated Company shall record the assets and liabilities of the Transferor Company transferred to Amalgamated Company pursuant to this Scheme at their respective fair values, as determined by the Board of Directors of Amalgamated Company, and account for the amalgamation of the Transferor Company pursuant to the Scheme in accordance with AS 14 notified by the Companies (Accounting Standards) Rules, 2006, as amended from time to time, under Purchase method of Accounting.

18.1.2. Difference between the aggregate of recorded value of assets and liabilities in the books of account of the Amalgamated Company, and the aggregate of face value of the equity shares allotted by the Amalgamated Company pursuant to the Scheme and the value of investments in shares of Transferor Company held by Amalgamated Company, in case of surplus, shall be credited to "Capital Reserve" or, in case of shortfall, shall be debited to "Goodwill Account", as the case may be.

PART IV

ISSUE OF SHARES FOR PART II AND PART III OF THE SCHEME

19. ISSUE OF SHARES BY AMALGAMATED COMPANY

19.1. Upon the coming into effect of this Scheme and in consideration of demerger of Real Estate Undertaking of Transferor Company into Resulting Company 1 pursuant to Clause 3 of Part II of the Scheme and in consideration of merger of Remaining Undertaking of Transferor Company with Amalgamated Company pursuant to Clause 10 of Part III of the Scheme, the Amalgamated Company shall without any further application, act, instrument or deed, issue and allot to the shareholders of Transferor Company, other than shares already held therein by the Amalgamated Company, whose names are registered in the register of members of Transferor Company on the Record Date (to be fixed by the Board of Directors of the Amalgamated Company), equity shares of Rs. 2 (Rupees Two Only) each credited as fully paid up of the Amalgamated Company, in the ratio of five equity shares of the face value of Rs. 2/- (Rupees Two Only) for every six shares of Rs. 10/- (Rupees Ten Only) each credited as fully paid-up held on the Record Date by equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in the Transferor Company.

19.2. The equity shares held by the Amalgamated Company in Transferor Company shall stand cancelled on the coming into effect of this scheme.

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

19.4. In the event that the Amalgamated Company restructures its equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.

19.5. The issue and allotment of equity shares by Amalgamated Company to the shareholders of Transferor Company shall be deemed to have complied with the provisions of Section 81(1A) of the Act and any other applicable provisions of the Act.

19.6. The equity shares issued and allotted by the Amalgamated Company in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Amalgamated Company and shall, rank *pari passu* in all respects with the then existing equity shares of the Amalgamated Company, including in respect of dividend, if any, that may be declared by the Amalgamated Company on or after the Effective Date;

19.7. The equity shares of the Amalgamated Company issued in terms of this Scheme will be listed and/or admitted to trading on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited where the shares of the Amalgamated Company are listed and/or admitted to trading. The Amalgamated Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges.

19.8. Fractional entitlement

No certificate(s) shall be issued by the Amalgamated Company in respect of fractional entitlements, to which the shareholders of the Transferor Company may become entitled to on issue and allotment of equity shares of the Amalgamated Company in terms of the Scheme. The Board of Directors of the Amalgamated Company shall, instead consolidate all such fractional entitlements and thereupon issue and allot equity shares in lieu thereof to custodian(s), to be nominated by the Board of Directors of the Amalgamated Company. Such custodian(s) shall hold the shares in trust for the beneficiaries entitled to fractional entitlements with the express understanding that such custodian(s) shall sell the said shares in the market at such times and at such prices and to such persons as he/they deem fit, and pay to the Amalgamated Company, the net sale proceeds thereof. The Amalgamated Company shall, thereafter, distribute such net sale proceeds to the beneficiaries in proportion to their respective fractional entitlements.

19.9. In so far as the issue of equity shares by the Amalgamated Company pursuant to this Scheme, each of the shareholders of the Transferor Company holding shares in physical form shall have the option, exercisable by notice in writing by them to the Amalgamated Company on or before the Record Date, to receive, the equity shares of the Amalgamated Company either in certificate form or in dematerialised form, in lieu of their shares in the Transferor Company in accordance with the terms hereof. In the event that such notice has not been received by the Amalgamated Company in respect of any of the members of the Transferor Company, the shares of the Amalgamated Company shall be issued to such members in physical form. Those of the members of the Transferor Company who exercise the option to receive the shares in dematerialized form shall be required to have an account with a depository participant and shall provide full details thereof and such other confirmations as may be required in the notice provided by such shareholder to the Amalgamated Company. It is only thereupon that the Amalgamated Company shall issue and directly credit the demat/dematerialised securities account of such member with the equity shares of the Amalgamated Company. The physical share certificates representing the equity shares of the Transferor Company shall stand automatically and irrevocably cancelled on the issue of equity shares by the Amalgamated Company in terms of this Scheme.

19.10. Each of the members of the Transferor Company holding shares of the Transferor Company in dematerialised form shall have the option, exercisable by notice in writing by them to the Amalgamated Company on or before the Record Date, to receive, the equity shares of the Amalgamated Company either in certificate form or in dematerialised form, in lieu of their shares in the Transferor Company in accordance with the terms hereof. In the event that such notice has not been received by the Amalgamated Company in respect of any of the members of the Transferor Company, the shares of the Amalgamated Company shall be issued to such members in dematerialised form as per the records maintained by the National Securities Depository Limited and/or Central Depository Services (India) Limited on the Record Date in terms of this scheme.

19.11. APPROVALS

For the purpose of issue of equity shares to the shareholders of the Transferor Company, the Amalgamated Company shall, if and to the extent required, apply for and obtain the required statutory approvals and approvals of the other concerned regulatory authorities for the issue and allotment by the Amalgamated Company of such equity shares.

20. DIVIDEND

20.1. For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent the Amalgamated Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the respective record date for the purpose of dividend.

20.2. In the event that the Amalgamated Company declares any dividend between the date of filing of the Scheme and the Record Date, then in such event, the shareholders of the Transferor Company who are entitled to receive shares of the Amalgamated Company pursuant to Clause 19.1 (the Transferor Company Shareholders) shall, on the Record Date, also be eligible to receive an amount representing such dividend proportionate to the shares they are entitled to receive. For this purpose, the Amalgamated Company shall, at the time of declaration of dividend to its shareholders as aforesaid, reserve the amount required for payment of dividend to the Transferor Company shareholders. The Board of Directors of the Amalgamated Company will declare the aforesaid reserved amount as dividend to the Transferor Company Shareholders after the Record Date and the amount set apart will be appropriated towards such declaration. For the avoidance of doubt it is clarified that no interest shall be payable by the Amalgamated Company to the Transferor Company Shareholders in relation to such amount to be applied towards payment of such dividend.

20.3. The Transferor Company shall not make any declaration of dividend between the date of filing of this Scheme and the Effective Date. Until the coming into effect of this Scheme, the holders of equity shares of the Transferor Company and the Amalgamated Company shall, save as expressly provided otherwise in this Scheme continue to enjoy their existing respective rights under their respective Articles of Association.

20.4. It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Amalgamated Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and the Amalgamated Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and the Amalgamated Company, respectively.

21. FUND RAISING BY ISSUE OF SHARES / OTHER INSTRUMENTS BY AMALGAMATED COMPANY

21.1. For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent the Amalgamated Company from raising funds by issue of new equity shares and / or preference shares and / or any convertible / non-convertible instruments.

PART V

DEMERGER OF TOWER UNDERTAKING OF AMALGAMATED COMPANY INTO RESULTING COMPANY 2

22. TRANSFER AND VESTING OF TOWER UNDERTAKING OF AMALGAMATED COMPANY

22.1. Upon this Scheme becoming effective and with effect from the Appointed Date, all properties, assets, liabilities forming part of Tower Undertaking of the Amalgamated Company shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company 2 under the provisions of Section 391 to 394 and all other applicable provisions, if any, of the Act, without any further deed or act.

22.2. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all immovable property (including land, buildings and any other immovable property) of the Tower Undertaking of the Amalgamated Company, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto, shall stand vested in the Resulting Company 2, without any act or deed done by the Amalgamated Company or the Resulting Company 2, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Resulting Company 2 shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Resulting Company 2 by the appropriate authorities pursuant to the sanction of the Scheme by the Court and the Scheme becoming effective in accordance with the terms hereof. The Amalgamated Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to the Resulting Company 2.

22.3. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all the assets of the Tower Undertaking of the Amalgamated Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall stand vested in the Resulting Company 2, and shall become the property and an integral part of the Resulting Company 2. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested, and the title to such property shall be deemed to have transferred and vested accordingly. No stamp duty shall be payable on the transfer of such movable properties (including shares and other investments, which are in dematerialised form) upon its transfer and vesting in Resulting Company 2.

22.4. In respect of movables other than those dealt with in Clause 22.3 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall, on and from the Appointed Date, stand transferred to, and vested in the Resulting Company 2 without any notice or other intimation to the debtors (although the Resulting Company 2 may, without being obliged, and if it so deems appropriate, at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositee, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Resulting Company 2).

22.5. Upon the coming into effect of this Scheme and with effect from the Appointed Date all liabilities relating to and comprised in the Tower Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Amalgamated Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company 2 under the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing.

22.6. The transfer and vesting as aforesaid shall be subject to subsisting charges, if any, in respect of any assets of Tower Undertaking of Amalgamated Company.

PROVIDED always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Amalgamated Company and Resulting Company 2 shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise.

22.7. All staff, workmen and employees as detailed under sub-clause (d) of Para 2.1.15 above in relation to the Tower Undertaking of the Amalgamated Company shall stand transferred to the Resulting Company 2, without any further act or deed to be done by the Amalgamated Company or the Resulting Company 2.

22.8. All items as detailed under sub-clause (e) of Para 2.1.15 in relation to the Tower Undertaking of the Amalgamated Company shall stand transferred to or vested in the Resulting Company 2, without any further act or deed done by the Amalgamated Company or the Resulting Company 2.

22.9. Pursuant to the scheme becoming effective, the Resulting Company 2 shall, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangement with any party to any contract or arrangement relating to Tower Undertaking to which the Amalgamated Company is a party in order to give formal effect to the above provisions. The Resulting Company 2 shall be deemed to be authorized to execute any such writings on behalf of the Amalgamated Company to carry out or perform all such formalities or compliances referred to above on part of the Amalgamated Company.

22.10. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all existing and future incentives, unavailed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax, excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax etc relating to the Tower Undertaking to which Amalgamated Company is entitled to shall be available to and vest in the Resulting Company 2.

22.11. Pursuant to this Scheme becoming effective, the Resulting Company 2 shall be entitled to secure the record of the change in the legal ownership upon the vesting of the assets of the Amalgamated Company relating to Tower Undertaking in accordance with the provisions of Sections 391 to 394 of the Act. The Amalgamated Company and the Resulting Company 2 shall be jointly and severally authorised to execute any writings and / or carry out any formalities or compliance in this regard.

22.12. All the licenses, permits, quotas, approvals (including, but not limited to, environmental approvals, statutory and regulatory approvals and consents), permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Amalgamated Company and all rights and benefits that have accrued or which may accrue to the Amalgamated Company, whether before or after the Appointed Date, relating to Tower Undertaking shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Resulting Company 2 so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Resulting Company 2 and shall remain valid, effective and enforceable on the same terms and conditions.

22.13. With effect from the Appointed Date, all letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders, contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Tower Undertaking to which the Amalgamated Company is a party or to the benefit of which the Amalgamated Company may be eligible, shall remain in full force and effect against or in favour of the Resulting Company 2 and may be enforced as fully and effectually as if, instead of the Amalgamated Company, the Resulting Company 2 had been a party or beneficiary or obligee thereto. Upon coming into effect of the Scheme, the past track record of the Amalgamated Company relating to the Tower Undertaking, including, without limitation, the turnover, the profitability, performance and market share shall be deemed to be the track record of the Resulting Company 2 for all commercial and regulatory purposes.

22.14. The Resulting Company 2 may, at its discretion, but shall not be compulsorily required to, file relevant intimations, for the record of the statutory authorities signifying the transfer of the assets / properties including, but not limited to, permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorisations of the Amalgamated Company relating to the Tower Undertaking.

23. LEGAL PROCEEDINGS

23.1. If any suit, appeal or other proceedings of whatever nature by or against the Amalgamated Company relating to the Tower Undertaking is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of this demerger or by anything contained in this Scheme, but the said suits, appeals or other legal proceedings may be continued, prosecuted and enforced by or against the Resulting Company 2 in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Amalgamated Company as if the Scheme had not been made.

23.2. On and from the Effective Date, the Resulting Company 2 shall, and may, if required, initiate, continue any legal proceedings in relation to the Tower Undertaking of the Amalgamated Company.

24. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

24.1. Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature relating to Tower Undertaking to which the Amalgamated Company is a party, or the benefit to which the Amalgamated Company may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favour of Resulting Company 2 and may be enforced as fully and effectively as if instead of the Amalgamated Company, the Resulting Company 2 had been a party or beneficiary thereto. Further, Resulting Company 2 shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Amalgamated Company and to implement or carry out all formalities required on the part of the Amalgamated Company, to give effect to the provisions of this Scheme.

24.2. As a consequence of the demerger of the Tower Undertaking of the Amalgamated Company into Resulting Company 2 in accordance with or pursuant to this Scheme, the recording of change in name in the records of the statutory or regulatory authorities from the Amalgamated Company to the Resulting Company 2, whether pertaining to any licence, permit, approval or any other matter, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority.

25. STAFF, WORKMEN, AND EMPLOYEES

25.1. Upon the Scheme becoming effective, all staff, workmen and employees on the payrolls of the Amalgamated Company relating to Tower Undertaking, in service on the Effective Date shall be deemed to have become staff, workmen, and employees of Resulting Company 2 on such date without any break or interruption in their service and on the terms and conditions of their employment not less favourable than those subsisting with reference to Amalgamated Company as on the said date.

25.2. As of the date of filing of this Scheme, the Amalgamated Company shall make contributions to the government maintained provident fund and / or other funds in relation to all its staff, workmen and employees relating to the Tower Undertaking. The Resulting Company 2 shall, subsequent to the Effective Date, make appropriate contributions towards such provident fund and / or other funds in respect of the staff, workmen and employees taken over by it pursuant to this Scheme.

25.3. It is clarified that the services of all transferred staff, workmen and employees of the Amalgamated Company, to the Resulting Company 2 will be treated as having been continuous for the purpose of the aforesaid employee benefits and / or liabilities. For the purpose of payment of any retrenchment compensation, gratuity, and / or other terminal benefits, and / or any other liability pertaining to staff, workmen and employees, the past services of such staff, workmen and employees with the Amalgamated Company shall also be taken into account by the Resulting Company 2, who shall pay the same if and when payable.

26. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

26.1. With effect from the Appointed Date up to the Effective Date:

26.1.1. Amalgamated Company shall carry on, and be deemed to have carried on its business, operations or activities, and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets, properties, liabilities relating to Tower Undertaking on behalf of and / or in trust for the Resulting Company 2.

26.1.2. All profits or income accruing or arising to the Amalgamated Company, or losses arising or expenditure incurred by it, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure, as the case may be, of the Resulting Company 2.

26.1.3. All assets howsoever acquired by the Amalgamated Company for carrying on its business, operations or activities and the liabilities relating to the Tower Undertaking shall be deemed to have been acquired and are also contracted for and on behalf of the Resulting Company 2.

26.2. The Resulting Company 2 shall also be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, department and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Resulting Company 2 may require including the registration, approvals, exemptions, relieves, etc., as may be required / granted under any law for the time being in force for carrying on business of Tower Undertaking of the Amalgamated Company.

26.3. Amalgamated Company shall carry on its business, operations or activities relating to the Tower Undertaking with reasonable diligence and business prudence and shall not venture into / expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of the Resulting Company 2.

26.4. The transfer of assets, properties liabilities of Tower Undertaking and the continuance of proceedings relating thereto by or against the Amalgamated Company shall not affect any transaction or proceedings already concluded by the Amalgamated Company on or after the Appointed Date to the end and intend that the Resulting Company 2 accepts and adopts all acts, deeds things done and executed by the Amalgamated Company, in regard thereto as done executed by the Resulting Company 2 on behalf of itself.

27. CONSIDERATION

27.1. The Resulting Company 2 is a wholly owned subsidiary company of the Amalgamated Company. The Scheme is intended to restructure the Tower Undertaking within the Group controlled by the Amalgamated Company in a more efficient manner consistent with the diverse needs of business and does not involve any movement of assets or liabilities to any company outside the Group controlled by the Amalgamated Company. Hence, the Resulting Company 2 shall not issue any shares or pay any consideration to the Amalgamated Company or to its shareholders.

28. ACCOUNTING TREATMENT

28.1. IN THE BOOKS OF RESULTING COMPANY 2

28.1.1. Upon coming into effect of this Scheme, Resulting Company 2 shall record the assets and liabilities of the Tower

Undertaking at their respective fair values, as may be determined by the Board.

28.1.2. The Resulting Company 2 will credit an amount equal to the fair values of net assets of Tower Undertaking as "Business Restructuring Reserve"

28.2. IN THE BOOKS OF AMALGAMATED COMPANY

28.2.1. Upon the coming into effect of this Scheme, the book value of assets and liabilities transferred to the Resulting Company 2 shall be reduced from the book value of assets and liabilities of Amalgamated Company.

28.2.2. An amount equal to the book value of net assets transferred to Resulting Company 2 would be debited to Capital Reserve Account.

29. REMAINING BUSINESS TO CONTINUE WITH THE AMALGAMATED COMPANY

29.1. All the assets, liabilities and obligations pertaining to the remaining business including, but not limited to, infrastructure business shall continue to belong to and be vested in and be managed by the Amalgamated Company.

29.2. With effect from the Appointed Date and upto and including the Effective Date:

(a) The Amalgamated Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Undertaking for and on its own behalf;

(b) All profits accruing to the Amalgamated Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Undertaking shall, for all purposes, be treated as the profits or losses, as the case may be, of the Amalgamated Company; and

(c) All assets and properties acquired by the Amalgamated Company in relation to the Remaining Undertaking on and after the Appointed Date shall belong to and continue to remain vested in the Amalgamated Company.

PART VI

GENERAL TERMS AND CLAUSES

30. CONSEQUENTIAL MATTERS RELATING TO TAX AND COMPLIANCE WITH LAW

30.1. Upon the Scheme coming into effect, all taxes / cess / duties payable by or on behalf of the Transferor Company upto the Appointed Date onwards including all or any refunds and claims, accumulated tax losses including refunds or claims pending with the revenue authorities shall, for all purposes, be treated as the tax / cess / duty, liabilities or refunds, claims and accumulated tax losses of the Amalgamated Company.

30.2. Upon the Scheme becoming effective, the Amalgamated Company, the Resulting Company 1 and the Resulting Company 2 are expressly permitted to revise their income-tax returns, sales tax returns, excise & CENVAT returns, service tax returns, other tax returns, and to restore as input credit of service tax adjusted earlier or claim refunds / credits.

30.3. The Amalgamated Company, the Resulting Company 1 and the Resulting Company 2 are also expressly permitted to claim refunds, credits, including restoration of input CENVAT credit, tax deduction in respect of nullifying of any transaction between or amongst the Transferor Company and Resulting Company 1, or Transferor Company and Amalgamated Company, or Resulting Company 2 and Amalgamated Company, as the case may be.

30.4. In accordance with the Cenvat Credit Rules framed under Central Excise Act, 1944, as are prevalent on the Effective Date, the unutilised credits relating to excise duties paid on inputs / capital goods / input services lying in the accounts of the Real Estate Undertaking of Transferor Company, Transferor Company and Tower Undertaking of Amalgamated Company shall be permitted to be transferred to the credit of the Resulting Company 1, the Amalgamated Company and the Resulting Company 2 respectively, as if all such unutilised credits were lying to the account of the Resulting Company 1, the Amalgamated Company and the Resulting Company 2. The Resulting Company 1, the Amalgamating Company and the Resulting Company 2 shall each be accordingly entitled to set off all such unutilised credits against the excise duty / service tax payable by it.

30.5. Part II of this Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under the tax laws, including section 2(19AA) and other relevant sections of the Income tax Act, 1961. If any terms or provisions of Part II of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. Part II of this Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Transferor Company and the Resulting Company 1, which power shall be exercised reasonably in the best interests of the companies concerned.

30.6. Part III of this Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under the tax laws, including section 2(1B) and other relevant sections of the Income tax Act, 1961. If any terms or provisions of Part III of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. Part III of this Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Transferor Company and the Amalgamated Company, which power shall be exercised reasonably in the best interests of the companies concerned.

30.7. Upon the Scheme becoming effective, the Amalgamated Company, the Resulting Company 1 and Resulting Company 2 are expressly permitted to revise its financial statements to give effect to the provisions of the Scheme.

31. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS

31.1. The Scheme is conditional upon and subject to:

(a) Approval by requisite majority of the members, and creditors of Transferor Company, Amalgamated Company, Resulting Company 1 and Resulting Company 2 as may be directed by the High Court of Andhra Pradesh at Hyderabad;

(b) Approval of the Scheme by the High Court of Andhra Pradesh, at Hyderabad;

(c) Certified copies of the orders of the High Court, sanctioning the Scheme being filed with the Registrar of Companies, Andhra Pradesh.

31.2. In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case 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.

31.3. If any part of this Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme, and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Board of Directors of the companies involved in the Scheme shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits, and obligations of this Scheme, including, but not limited to, such part.

32. APPLICATION TO THE HIGH COURT

32.1. The Transferor Company, Amalgamated Company, Resulting Company 1 and Resulting Company 2 shall, with all reasonable dispatch, make applications to the Honourable High Court, under Sections 391 to 394 and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective members and / or creditors and for sanctioning this Scheme, with such modifications as may be approved by the Honourable High Court.

32.2. Upon this Scheme being approved by the requisite majority of the respective members and creditors of the Transferor Company, Amalgamated Company, Resulting Company 1 and Resulting Company 2 (as may be directed by the Hon'ble High Court), the Transferor Company, the Amalgamated Company, the Resulting Company 1 and the Resulting Company 2 shall, with all reasonable dispatch, apply to the Hon'ble High Court, for sanction of this Scheme under Sections 391 to 394 and other applicable provisions of the Act, and for such other order or orders, as the said Hon'ble High Court may deem fit for carrying this Scheme into effect.

32.3. Upon this Scheme becoming, effective, the respective shareholders of the Transferor Company, the Amalgamated Company, the Resulting Company 1 and Resulting Company 2 shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

33. ACCOUNTING TREATMENT

The accounting treatment specified under the Scheme would be in accordance with the accounting standards prescribed under Section 211 (3C) of the Companies Act, 1956 and where the Scheme prescribes a different treatment, the same shall be ignored in order to be compliant with the applicable accounting standard(s).

34. MODIFICATIONS / AMENDMENTS TO THE SCHEME

34.1. Transferor Company, Amalgamated Company, Resulting Company 1 and Resulting Company 2 represented by their respective Board of Directors, may make and / or consent to any modifications / amendments to the Scheme or to any conditions or limitations that the High Court or any other authority 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).

34.2. The Transferor Company, the Amalgamated Company, the Resulting Company 1 and Resulting Company 2 shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the Honourable High Court or any other authority or any bank or financial institution is unacceptable to them or otherwise if so mutually agreed.

34.3. The Transferor Company, the Amalgamated Company, the Resulting Company 1 and Resulting Company 2 by their respective Board of Directors shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of any other authority or otherwise however arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.

35. EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS

35.1. In the event of any of the said sanctions approvals not being obtained and / or the Scheme not being sanctioned by the High Court of Andhra Pradesh at Hyderabad, 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.

36. COST, CHARGES, AND EXPENSES

36.1. All costs, charges, fees, taxes including duties (including the stamp duty and/or transfer charges, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions of this Scheme and matters incidental thereto shall be borne and paid by Amalgamated Company. The Amalgamated Company shall be eligible for deduction of expenditure incurred as per section 35DD of the Act.

37. MISCELLANEOUS

37.1. The mutation of the title to the immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of the Amalgamated Company, Resulting Company 1 or the Resulting Company 2, as the case may be, in respect of the immovable properties vested in them, respectively. Any inchoate title or possessory title of Transferor Company or its predecessor companies shall be deemed to be the title of the Amalgamated Company, Resulting Company 1 or the Resulting Company 2, as the case may be.

37.2. It is the intention of the Parties that any Part of the Scheme, as may be mutually decided by the Board of each of Parties, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected by such alteration.

37.3. The Parties to the Scheme also intend that in the event that any of the Part II, Part III or Part IV of Scheme is withdrawn, the remaining two parts of the three parts as mentioned above shall also necessarily and automatically stand withdrawn.

37.4. On the sanction of the Scheme and upon the Scheme becoming effective, with effect from the Appointed Date, the following shall be deemed to have occurred and become effective and operative only in the sequence and in the order mentioned hereunder: -

(a) The transfer by way of demerger of the Real Estate Undertaking from Amalgamated Company into Resulting Company 1;

(b) Merger of Remaining Undertaking of Transferor Company with the Amalgamated Company; and

(c) The transfer by way of demerger of the Tower Undertaking of Amalgamated Company into Resulting Company 2;

SCHEDULE I
IMMOVABLE PROPERTIES OF REAL ESTATE UNDERTAKING

Particulars	Approx area of land in Acres
Khulewadi, Lohegaon, Pune, Maharashtra	1.65 acres
Kancha Gachibowli, Hyderabad, Andhra Pradesh	11.28 Acres
Plot No. 116, Madhapur Village, Serilingmpally, R.R. Dist, Hyderabad, Andhra Pradesh	0.04 Acres
Begur Village, Begur Hobli, Bangalore, Karnataka	10.15 Acres
Vayalur Village, Kanchipuram Dist., Tamil Nadu	34.59 Acres
Salem, Tamil Nadu	1.76 Acres

SCHEDULE II
IMMOVABLE PROPERTIES OF THE REMAINING UNDERTAKING OF TRANSFEROR COMPANY

Particulars
Flat No.602 & 702 in Block No.7 at Hill Ridge Springs, 25, Kancha Gachibowli, Hyderabad, Andhra Pradesh
Club House in Hill Ridge Springs, 25, Kancha Gachibowli, Hyderabad, Andhra Pradesh

.SCHEDULE III
LEASE HOLD PROPERTIES OF THE MANUFACTURING UNDERTAKING

Particulars	Approx area of land in Sq. Mts.
Plot no. A-34, Butibori Industrial Area, Ruikhairi village, Nagpur Taluka, Nagpur District	93,231 sq.mts

IN THE HIGH COURT OF JUDICATURE OF ANDHRA PRADESH:
AT HYDERABAD
(ORIGINAL JURISDICTION)
COMPANY APPLICATION NO. 19 OF 2012
In the matter of Companies Act, 1956 (1 of 1956)
And
In the matter of Sections 391 and 394 of the said Act
And
In the matter of M/s. IVRCL Limited
And
In the matter of M/s. IVRCL Assets & Holdings Limited
And
In the matter of M/s. RIHIM Developers Private Limited
And
In the matter of M/s. IVRCL TLT Private Limited
And
Their Respective Shareholders

IVRCL Assets & Holdings Limited
a company incorporated under the
Companies Act, 1956 having its registered office at
M-22/3RT, Vijaynagar Colony, Hyderabad 500 057

...**TRANSFEROR COMPANY**

FORM OF PROXY

I, the undersigned equity shareholder of the above Transferor Company, hereby appoint ....of ....as my proxy, to act for me at the meeting of the equity shareholders of the Transferor Company to be held at KLN Prasad Auditorium, Federation House, FAPCCI, Red Hills, Hyderabad – 500 004, on Monday the 27th day of February, 2012 at 2.30 p.m. for the purpose of considering and if thought fit, approving with or without modification(s), the Composite Scheme of Arrangement between IVRCL Limited, IVRCL Assets & Holdings Limited, RIHIM Developers Private Limited and IVRCL TLT Private Limited and their respective shareholders, and at such meeting and any adjournment thereon, to vote for me and in my name (s) ....(here, if for, insert '**for**', and if against, insert '**against**') the said Composite Scheme of Arrangement either with or without modifications as my proxy may approve.

Dated this the ....day of ...., 2012.

Affix revenue stamp Rs. 1/-

Signature of Joint Holder 1 :______________________________

Signature of Joint Holder 2 :______________________________

Folio / D P & Client ID No. :______________________________ Address : ________________________

No. of shares held :______________________________ ________________________

In case of a company / firm, also please affix the company / firm seal.

1. Proxy must be deposited at the Registered office of the Transferor Company, not later than Forty Eight hours before the time scheduled / fixed for the said meeting.
2. Bodies Corporate & FII Equity Shareholder(s) would be required to deposit certified copies of Board /Custodial resolutions/Power of Attorney, as the case may be, authorizing the Individuals named therein, to attend & vote at the meeting on its behalf. These documents must be deposited at the Registered Office of Transferor Company, not later than 48 hours before the time of holding the meeting
3. In case of multiple proxies, the proxy later in time shall be considered.

IVRCL A&H

IVRCL ASSETS & HOLDINGS LIMITED

M-22/3RT, Vijayanagar Colony Hyderabad – 500 057

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting venue)

COURT CONVENED MEETING OF EQUITY SHAREHOLDERS OF IVRCL ASSETS & HOLDINGS LIMITED

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company

DP Id ________________ Client Id ________________

Regd. Folio No.* ________________ No. of Shares ________________

	Name(s) in Full	Father/Husband's Name	Address as registered with the Company
1			
2			
3			

I/We hereby record my/our presence at the court convened meeting of the Equity Shareholders of **IVRCL Assets & Holdings Limited**, convened pursuant to the order of the High Court of Andhra Pradesh at KLN Prasad Auditorium,Federation House, FAPCCI, Red Hills, Hyderabad – 500 004, on Monday the 27th day of February, 2012 at 2.30 p.m.

Signature *:________________________

* If Proxy, please state (Proxy) after the signature

Please (✓) the appropriate Box.

☐ Member ☐ Proxy

* Applicable for Investor holding Shares in Physical Form

Notes:

1. Shareholder/Proxies are requested to bring this slip with them. Duplicate slips will not be issued at the entrance of the venue of the meeting.
2. Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting place

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IVRCL ASSETS & HOLDINGS LIMITED
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Hyderabad – 500 057