

NOTICE TO THE UNSECURED CREDITORS OF GAR CORPORATION PRIVATE LIMITED			
IN THE MATTER OF Scheme of Arrangement among GAR CORPORATION PRIVATE LIMITED and LAXMI INFOBAHN ONE PRIVATE LIMITED AND LAXMI INFOBAHN AQUADUCT PRIVATE LIMITED			
DAY	DATE	TIME	VENUE
THURSDAY	22.04.2021	12 noon	Hotel Sitara Grand, Road Number 12, Beside SBI, Banjara Hills, Hyderabad, Telangana – 500034

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FORM No. CAA - 2

[Pursuant to Section 230 (3) and Rule 6 and 7]

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL – HYDERABAD BENCH
COMPANY APPLICATION No. CA. (CAA) No. 31/230/HDB/2020**

**IN THE MATTER OF THE SECTION 230-232 AND ALL OTHER APPLICABLE PROVISIONS
OF THE COMPANIES ACT, 2013**

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT AMONG

M/S. GAR CORPORATION PRIVATE LIMITED - (the 'Demerged Company')

AND

M/S. LAXMI INFOBAHN ONE PRIVATE LIMITED (the 'Resulting Company – 1')

AND

M/S. LAXMI INFOBAHN AQUADUCT PRIVATE LIMITED

(the 'Resulting Company – 2')

GAR Corporation Private Limited

CIN - U70102TG2006PTC049672

Company Incorporated under the Companies Act, 1956
having its registered office at Laxmi Cyber Centre. 8-2-682,
Road No. 12, Banjara Hills, Hyderabad – 500 034.

..APPLICANT/DEMERGED COMPANY

NOTICE OF THE MEETING OF THE UNSECURED CREDITORS OF

GAR CORPORATION PRIVATE LIMITED

TO BE CONVENED PURSUANT TO THE DIRECTIONS OF

THE HON'BLE COMPANY LAW TRIBUNAL – HYDERABAD BENCH

Notice is hereby given that by an Order dated 24th March 2021 (the 'Order'), the Hon'ble National Company Law Tribunal - Hyderabad Bench ('Tribunal'), has directed convening a Meeting of the Unsecured Creditors of GAR Corporation Private Limited to be held for the purpose of considering, and if though fit, approving, with or without modifications (s), the Proposed Scheme of Arrangement among **GAR Corporation Private Limited** (the 'Demerging' Company) AND **Laxmi Infobahn One Private Limited** (the 'Resulting Company – 1') AND **Laxmi Infobahn Aquaduct Private Limited** (the 'Resulting Company – 2') AND their respective Shareholders ('Scheme') under Sections 230-232 of the Companies Act, 2013 ('Act') and the rules framed thereunder.

In pursuance of the said Order, and as directed therein, a Meeting of the Unsecured Creditors of GAR Corporation Private Limited will be held at the "Hotel Sitara Grand, Road Number 12, Beside SBI, Banjara Hills, Hyderabad-500034, Telangana on Thursday, 22nd day of April, 2021 at 12 noon('Meeting') at which time and place the Unsecured Creditors are requested to attend, to consider and if thought fit, to approve, with or without modification(s) the following resolutions:

"RESOLVED THAT pursuant to the provisions of Section 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013, read with the National Company Law Tribunal Rules, 2016, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 including any statutory modifications, amendments, re-enactments thereof for the time being in force, the applicable provisions of the Memorandum and Articles of Association of the Company and subject to the requisite approvals, sanctions, consents, observations, no objections, confirmations, permissions from the Hon'ble National Company Law Tribunal, Bench at Hyderabad or such other competent authority as may be applicable, and the confirmation, permission, sanction and approval of the other statutory / regulatory authorities, if any, in this regard and subject to such other conditions or guidelines, if any, as may be prescribed or stipulated by any such authorities, from time to time, while granting

such approvals, sanctions, consents, observations, no objections, confirmations, permissions and which may be agreed by the Board of Directors of the Company, the draft Scheme of Arrangement among GAR Corporation Private Limited (the 'Demerging' Company) AND Laxmi Infobahn One Private Limited (the 'Resulting Company – 1' AND Laxmi Infobahn Aquaduct Private Limited (the 'Resulting Company – 2') AND their respective Shareholders ('Scheme'), providing for Demerger of M/s. GAR Corporation Private Limited into M/s. Laxmi Infobahn One Private Limited and M/s Laxmi Infobahn Aquaduct Private Limited on a going concern basis with effect from 01.04.2019 (First Day of April, Two Thousand and Nineteen) being the appointed date, as placed before the meeting and initialed by the chairman for the purpose of identification, be and is hereby approved”.

RESOLVED FURTHER THAT the Board be and is hereby authorized, empowered and directed to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to aforesaid resolution and to effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble National Company Law Tribunal, Bench at Hyderabad, while sanctioning the demerger arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as may be deemed fit and proper”.

A copy of the Notice of the Meeting containing the Explanatory Statement under Section 230-232 read with Section 102 of the Act, and rules there under, Proxy Forms, Attendance Slips and all other annexures including the Scheme can be obtained free of charge at the registered office of the Company at 8-2-682, Road No. 12, Banjara Hills, Hyderabad – 500 034, or can be downloaded from the website of the Company www.garcorp.in.

Unsecured Creditors are entitled to attend and vote at the Meeting in person or by proxy or authorized representative in case be permitted, provided that the proxy in Form No. MGT-11 authorization duly signed by the person entitled to attend and vote at the meeting, is deposited at the registered office of the Company at 8-2-682, Road No. 12, Banjara Hills, Hyderabad – 500 034 not later than 48 hours before the time fixed for the said meeting.

The Hon'ble Tribunal appointed Shri. D.V.K. Phanindra, Practicing Company Secretary, as the Chairperson for the Meeting of the Unsecured Creditors. The said scheme, if approved by the Unsecured Creditors shall be subject to the subsequent approval by the Hon'ble Tribunal.

The Hon'ble Tribunal, Ms. Mummaneni Vazra Laxmi, Advocate has been appointed as the scrutinizer for the said meeting of Unsecured Creditors for conducting voting through Ballot / Polling paper process in fair and transparent manner. The Scrutinizer will submit the report to the Chairperson of the meeting after the completion of scrutiny, and the result of voting shall be displayed at the registered office of the Company at 8-2-682, Road No. 12, Banjara Hills, Hyderabad – 500 034.

Any queries in relation to the voting may be addressed to Mr. A.G.Krishnan, DGM-Accounts of the Company at the registered office of the Company at 8-2-682, Road No. 12, Banjara Hills, Hyderabad – 500 034 or through mail at demergerinfo@garcorp.in or can also be contacted at 040-23393703.

Sd/-
Shri. D.V.K. Phanindra,
Chairperson appointed for the Meeting

NOTES:

1. **AN UNSECURED CREDITOR ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF ON A POLL ONLY AND SUCH PROXY NEED NOT BE A CREDITOR OF THE DEMERGED COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE DEMERGED COMPANY AT 8-2-682, ROAD NO. 12, BANJARA HILLS, HYDERABAD – 500 034, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Any alteration made in the proxy form shall be initialed.
3. Only unsecured creditors of the Demerged Company may attend and vote (either in person or by proxy or by Authorised Representative under Section 113 and other applicable provisions, if any, of the Companies Act, 2013 at the meeting. The Authorised Representative of a Body Corporate which is an unsecured creditor of the Demerged Company may attend and vote at the meeting provided a certified copy of the resolution of the Board of Directors or other governing body of the Body Corporate under Section 113 of the Companies Act, 2013, authorizing such representative to attend and vote at the meeting is deposited at the Registered office of the Demerged Company at 8-2-682, Road No. 12, Banjara Hills, Hyderabad – 500 034, not later than 48 hours before the commencement of the meeting.

FORM No. CAA - 2

[Pursuant to Section 230 (3) and Rule 6 and 7]

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL – HYDERABAD BENCH

COMPANY APPLICATION No. CA. (CAA) No. 31/230/HDB/2020

**IN THE MATTER OF THE SECTION 230-232 AND ALL OTHER APPLICABLE PROVISIONS
OF THE COMPANIES ACT, 2013**

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT AMONG

M/S. GAR CORPORATION PRIVATE LIMITED - (the 'Demerged Company')

AND

M/S. LAXMI INFOBAHN ONE PRIVATE LIMITED (the 'Resulting Company – 1')

AND

M/S. LAXMI INFOBAHN AQUADUCT PRIVATE LIMITED

(the 'Resulting Company – 2')

GAR Corporation Private Limited

CIN - U70102TG2006PTC049672

Company Incorporated under the Companies Act, 1956
having its registered office at Laxmi Cyber Centre. 8-2-682,
Road No. 12, Banjara Hills, Hyderabad – 500 034.

..APPLICANT/DEMERGED COMPANY

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

1. This is the Statement accompanying the Notice convening the meeting of the Unsecured Creditors ("Creditors") of the Applicant Company pursuant to the Order dated 24th March 2021 passed by the Hon'ble National Company Law Tribunal – Hyderabad Bench - in the Company Application Number C.A. (CAA) No. 31/230/HDB/2020, to be held at 'Hotel Sitara Grand, Road Number 12, Beside SBI, Banjara Hills, Hyderabad, Telangana – 500034, on Thursday, April 22, 2021 at **12 Noon** , for the purpose of considering and, if thought fit, approving with or without modification(s), the Scheme of Arrangement among **GAR CORPORATION PRIVATE LIMITED** (the Demerged Company) and **LAXMI INFOBAHN ONE PRIVATE LIMITED** (the Resulting Company – 1) AND **LAXMI INFOBAHN AQUADUCT PRIVATE LIMITED** (the Resulting Company – 2) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (the "**Scheme of Arrangement**" or "**Scheme**").
2. Notice of the said meeting together with the copy of the Scheme of Amalgamation is sent herewith. This statement explaining the terms of the Scheme of Amalgamation is being furnished as required under Sections 230, 232 read with Section 234 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 of the Companies Act, 2013.

A copy of the Scheme which has been approved by the Board of Directors of the Company is enclosed herewith. The other definitions contained in the Scheme shall also apply to this Explanatory Statement.

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL BENCH AT HYDERABAD
C.A.(CAA)NO.31/230/HDB/2020
IN THE MATTER OF THE SECTION 230-232 AND ALL OTHER APPLICABLE PROVISIONS
OF THE COMPANIES ACT, 2013
AND
IN THE MATTER OF SCHEME OF ARRANGEMENT AMONG
M/S. GAR CORPORATION PRIVATE LIMITED - (the 'Demerged Company')
AND
M/S. LAXMI INFOBAHN ONE PRIVATE LIMITED (the 'Resulting Company – 1')
AND
M/S. LAXMI INFOBAHN AQUADUCT PRIVATE LIMITED (the 'Resulting Company – 2')
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**EXPLANATORY STATEMENT UNDER SECTION 102, READ WITH SECTIONS 230 TO 232 AND OTHER
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND DETAILS & INFORMATION AS REQUIRED
UNDER RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES,
2016**

1. A Scheme of Arrangement between GAR Corporation Private Limited (Demerged Company) and Laxmi Infobahn One Private Limited (Resulting Company-1) and Laxmi Infobahn Aquaduct Private Limited (Resulting Company-2) and their respective Shareholders and Creditors ("**Scheme**"), was proposed by the Board of Directors of the Demerged Company and the Board of Directors of both Resulting Company-1 and Resulting Company-2 for the purpose of Demerger of M/s. GAR Corporation Private Limited into M/s. Laxmi Infobahn One Private Limited and M/s Laxmi Infobahn Aquaduct Private Limited on a going concern basis with effect from 01.04.2019 (First Day of April, Two Thousand and Nineteen) being the appointed date.
2. The said Scheme of Arrangement was approved by the Board of Directors of the Demerged Company and the Board of Directors of the Resulting Company-1 and Resulting Company-2 at their respective meetings held on 29th Day of June, 2019 (Twenty Ninth day of June Two Thousand and Nineteen) under the provisions of Sections 230 to 232 and all other applicable provisions of Companies Act, 2013, by passing respective Board Resolutions. The Board of Directors of the Companies have approved the Scheme after taking into consideration the rationale of the Scheme and the certificate issued by the statutory auditor of the Company to the effect that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
3. The Board of Directors of the Company at its meeting held on 29th Day of June, 2019, authorized, empowered and directed Mr. Narsapuram Srinivas, Authorised Signatory of the Company to file the Scheme along with necessary documents by making application, petition etc., with the Hon'ble NCLT and with such other authorities as may be required for taking their approval to the Scheme and further authorized, empowered and directed them to take all such necessary steps and actions to give effect to the provisions of the Scheme.
4. Accordingly, a Joint Application vide **C.A.(CAA) NO.31/230/HDB/2020**, was made to the Hon'ble National Company Law Tribunal, Bench at Hyderabad, by the Demerged Company with the Resulting Company-1 and Resulting Company-2 for obtaining the sanction of the Tribunal to the Scheme of Arrangement under sections of section 230 to 232, read with the other applicable provisions of Companies Act, 2013, on 29th November, 2019.
5. The **C.A.(CAA) NO.31/230/HDB/2020**, was allowed by the Hon'ble National Company Law Tribunal, Bench at Hyderabad on the 29th Day of November, 2019 and pursuant to the Order dated 12th day of **February, 2020**, passed by the Hon'ble Tribunal, in the **C.A.(CAA) NO.31/230/HDB/2020**, the meetings of the Equity Shareholders and Secured creditors of the Demerged Company alongwith the Resulting Company-1 and Resulting Company-2 were dispensed with.

6. Further the Hon'ble National Company Law Tribunal, Bench at Hyderabad, pursuant to the Order dated **24th day of March, 2021**, in **C.A.(CAA) NO.31/230/HDB/2020**, was pleased to direct that a meeting of the Unsecured Creditors of GAR Corporation Private Limited be held for the purpose of considering, and, if thought fit, approving with or without modification(s), the Scheme of Arrangement between M/s. GAR Corporation Private Limited(Demerged Company) and M/s. Laxmi Infobahn One Private Limited (Resulting Company-1) and M/s Laxmi Infobahn Aquaduct Private Limited (Resulting Company-2) and their respective Shareholders and Creditors, on Thursday, 22nd April , 2021, at 'Sitara Hotel', Road Number 12, Beside SBI Banjara Hills, Hyderabad, Telangana – 500034, India, at 12 Noon.

7. DESCRIPTION, INFORMATION AND OTHER DETAILS PERTAINING TO THE COMPANIES

7.1 GAR Corporation Private Limited (Demerged Company) was originally incorporated as Private Limited Company on 31.03.2006 in the erstwhile State of Andhra Pradesh (now the State of Telangana), vide Registration Number 049672, issued by the Registrar of Companies, Andhra Pradesh. The present Corporate Identification Number (CIN) of the Company is U70102TG2006PTC049672. The PAN of the Company is AACCG5792Q. (Hereinafter referred to as the "**Demerged Company**"). There was no change in the name of the Demerged Company during the last five years.

The E-mail id of the Demerged Company is gareddy@garcorp.in.

7.2 The registered office of the Demerged Company is situated at Laxmi Cyber Centre, 8-2-682, Avenue-I, Road No. 12, Banjara Hills, Hyderabad -500034, Telangana, India. There is no change in the registered office of the Demerged Company during the last five years.

7.3 The present main objects of the Demerged Company are provided in sub-clause 1 to 5 of Clause - A of its Memorandum of Association.

1. *To provide all infrastructural facilities and services for setting up of information Technology parks in India and abroad including providing air conditioning, false ceiling, supporting services required for Information Technology industry, taking up Information technology enabled services and the Business Process Outsourcing.*
2. *To establish and carry on in India or elsewhere the business to acquire, undertake, promote, run, manage, own, lease, convert, build, commercialize, handle, operate, renovate, construct, maintain, improve, exchange, furnish, hire, let on hire hotels, resorts, restaurants, cafes, rest houses, tea and coffee houses, refreshment rooms, swimming pools, libraries, banquet halls, health clubs, art galleries, sports, entertainment, travelling agencies, motor cabs and recreations.*
3. *To undertake, carry on business of land development, deal in real estates, construction and building activities in India or abroad as real estate developers, builders, contractors and generally to deal in all or any of their branches to construct, erect, repair, furnish, build, decorate, develop, demolish and maintain buildings, structures, roads, paths, townships, waterways, drainage works and any other constructions.*
4. *To carry on in India or elsewhere the business of civil contractors, Engineers, consulting engineers in all its branches and to undertake market survey and undertake job works such as planning outlay of lands, drawing and architecture and also obtain necessary permissions, clearances, sanctions, approvals from governments or other agencies in respect of all types of constructions transactions and to lease, hire, contract or otherwise give on rent the construction and earth moving equipments and all other properties movable or immovable.*
5. *To organize, undertake, carry on in all or any kind of their branches in India or outside India of the business of builders, earth masonry and general construction. Contractors and haulers and among other things to construct, execute, carryout, equip, improve, work and repair, sanitary, water, gas, electricity and any other supply of work of every kind.*

There were no changes to the main objects of the Demerged Company during the last five years.

7.4 The authorized, issued, subscribed and paid-up share capital of Demerged Company as on 31.03.2019:

Particulars	Amount (in Rs.)
Authorized Share Capital	
1,17,50,000 Equity Shares of Rs.10/- (Rupees Ten only) each	11,75,00,000
Issued & Subscribed	
53,01,777 Equity Shares of Rs.10/- (Rupees Ten only) each	5,30,17,770
Paid up Capital	
47,06,457 Equity Shares of Rs.10/- (Rupees Ten only) each	4,70,64,570

The Equity Shares of the Demerged Company are not listed on any stock exchange.

7.5 The Resulting Companies 1 & 2 are the wholly owned subsidiary of the Demerged Company which holds 100% of the Paid up capital of the Resulting Companies.

7.6 The Register of members of the Demerged Company showing the latest list of the equity shareholders of the Demerged Company:

Sl. No.	Name of the equity shareholder	No. of Shares	Face Value	Total Capital	%
1.	Gavva Amarender Reddy	3764657	10	37646570	80%
2.	Gavva Abhinav Ram Reddy	941800	10	9418000	20%
	Total	4706457	10	47064570	100.00%

7.7 The Demerged Company is the Promoter of Resulting Company-1 and Resulting Company-2 as it holds 100% of the fully paid up equity capital of the Resulting Company-1 and Resulting Company-2.

7.8 Details of directors of the Demerged Company:

Full Name	DIN	Present Address	Date of Appointment
Gavva Amarender Reddy	00041988	H. No. 8-2-293/82/A/1305, Road No. 65, Jubilee Hills, Hyderabad – 500033, Telangana	31/03/2006
Gavva Abhinav Ram Reddy	03190058	H. No. 8-2-293/82/A/1305, Road No. 65, Jubilee Hills, Hyderabad – 500033, Telangana	31/03/2006
Gavva Rekha Reddy	00036839	H. No. 8-2-293/82/A/1305, Road No. 65, Jubilee Hills, Hyderabad – 500033, Telangana	16/08/2010

7.9 All the Directors of the Demerged Company have voted in favor of the Resolution approving the Scheme of Arrangement between GAR Corporation Private Limited (Demerged Company) and Laxmi Infobahn One Private Limited (Resulting Company-1) and Laxmi Infobahn Aquaduct Private Limited (Resulting Company-2) and their respective Shareholders and Creditors at the meeting of Board of Directors of the Company held on 29th June, 2019.

7.10 Laxmi Infobahn One Private Limited (Resulting Company-1) is private limited company incorporated under the provisions of the Companies Act, 2013, on 16.02.2017, in the state of Telangana. The present Corporate Identification Number (CIN) of the Company is U70109TG2017PTC115270 (hereinafter referred to as the "Resulting Company-1"). There was no change in the name of the Resulting Company-1, since its incorporation.

The E-mail id of the Resulting Company-1 is krishnan@garcorp.in

7.11 The registered office of the Resulting Company-1 is situated at H No.8-2-682, Laxmi Cyber Centre, Road No.12, Banjara Hills, Hyderabad -500034, Telangana, India. There is no change in the registered office of the Resulting Company-1, since its incorporation.

7.12 The present main objects of the Resulting Company-1 is provided in Sub-Clause 1 to 3 of Clause III (a) of its Memorandum of Association.

1. *To carry on in India or abroad the business of developing, constructing, establishing, commissioning, setting up, operating, maintaining, alteration, pulling down and restore either alone or jointly with any other companies or persons, Government, firms, associations authorities, bodies, trusts, agencies, societies or any other person or persons engaged in or in connection with either directly or indirectly and whether wholly or in part, for the purposes of infrastructure development work or providing infrastructure facility or engaged in infrastructure activities, which shall include work or facility or providing of services in relation to or in connection with setting up, development, construction, operation, maintenance, modernization, expansion and improvement of any infrastructure project or facility of Special Economic Zones, Export Processing Zone, knowledge parks, information technology parks, Hardware parks, bio-technology parks, agri parks, food parks or any other Industrial parks.*
2. *To carry on in India or elsewhere the business of civil contractors, Engineers, consulting engineers in all its branches and to undertake market survey and undertake job works such as planning outlay of lands, drawing and also obtain necessary permissions, clearances, sanctions, approvals from governments or other agencies in respect of all types of constructions transactions and to lease, hire, contract or otherwise give on rent the construction and earth moving equipments and all other properties movable or immovable and to organize, undertake, carry on in all or any kind of their branches in India or outside India of the business of builders, earth masonry and general construction. Contractors and haulers and among other things to construct, execute, carryout, equip, improve, work and repair, sanitary, water, gas, electricity and any other supply of work of every kind.*
3. *To carry on the business of builders of commercial & residential complexes, flats, prefabricated and precast buildings, lodging houses, resorts, hotels, go downs, hospitals, cinema houses & other recreation buildings including multiplex, malls, roads, bridges, tanks, drains, dams, culverts, canals, irrigation projects, thermal projects, all types of power projects, purchase , sell, develop, run, take in exchange, lease , hire, or otherwise acquire, whether for investment or sale or working the same, any real or personal estate including lands, mines, business buildings, ports, factories, mills, houses, cottages, shops, depots, warehouses, machinery, plant, stock-in trade, mineral rights, concessions, privileges, licenses, easement or interest in or with respect to any property whatsoever for the purpose of the company in consideration for a gross sum or rent or partly in one way and partly in the other or for any other consideration and to carry on business as proprietors of flats and buildings and to let on lease or otherwise, apartments therein and to provide for the conveniences commonly provided in flats, suites and residential and business quarters and to undertake, carry on business of land development, deal in real estates, construction and building activities in India or abroad as real estate developers, builders, contractors and generally to deal in all or any of their branches to construct, erect, repair, furnish, build, decorate, develop, demolish and maintain buildings, structures, roads, paths, townships, waterways, drainage works and any other constructions.*

There were no changes to the main objects of the Resulting Company-1, since its incorporation.

7.13 The authorized, issued, subscribed and paid-up share capital of the Resulting Company-1 as on 31.03.2019, is as follows:

Particulars	Amount (in Rs.)
Authorized Share Capital	
10,00,000 Equity Shares of Rs.10/- (Rupees Ten only) each	1,00,00,000
Issued, Subscribed and Paid up Capital	
200 Equity Shares of Rs.10/- (Rupees Ten only) each	2,000

The Equity Shares of the Resulting Company-1 are not listed on any stock exchange.

7.14 The Resulting Company-1 is the wholly owned subsidiary of the Demerged Company i.e. M/s. GAR Corporation Private Limited which holds 100% of the Paid up capital of the Resulting Company-1.

7.15 The following is the extract of the Register of Members of the Resulting Company-1 showing the latest list of the equity shareholders of the Resulting Company-1:

Sl. No.	Name of the equity shareholder	No. of shares	Face value	Total Capital	%
1.	GAR Corporation Private Limited	199	10	1,990	99.50
2.	Gavva Amarender Reddy (Nominee of GAR Corporation Private Limited)	1	10	10	0.50
Total		200	10	2,000	100.00%

7.16 Details of directors of Resulting Company-1:

Full Name	DIN	Present Address	Date of Appointment
Gavva Amarender Reddy	00041988	H. No. 8-2-293/82/A/1305, Road No. 65, Jubilee Hills, Hyderabad – 500033, Telangana	16/02/2017
Gavva Abhinav Ram Reddy	03190058	H. No. 8-2-293/82/A/1305, Road No. 65, Jubilee Hills, Hyderabad – 500033, Telangana	16/02/2017
Narsapuram Srinivas	00368908	410, Mount Santoshi Apartments Mayuri Marg, Begumpet Hyderabad 500016 Telangana	16/02/2017

7.17 All the above mentioned Directors of the Resulting Company-1 have voted in favor of the Resolution approving the Scheme of Arrangement between GAR Corporation Private Limited (Demerged Company) and Laxmi Infobahn One Private Limited (Resulting Company-1) and Laxmi Infobahn Aquaduct Private Limited (Resulting Company-2) and their respective Shareholders and Creditors at the meeting of Board of Directors of the Company held on 29th June, 2019.

7.18 Laxmi Infobahn Aquaduct Private Limited (Resulting Company-2) is private limited company incorporated under the provisions of the Companies Act, 2013, on 16.02.2017, in the state of Telangana. The present Corporate Identification Number (CIN) of the Company is U70109TG2017PTC115269 (hereinafter referred to as the “Resulting Company-2”). There was no change in the name of the Resulting Company-2, since its incorporation.

The E-mail id of the Resulting Company-2 is krishnan@garcorp.in

7.19 The registered office of the Resulting Company-2 is situated at H No.8-2-682, Laxmi Cyber Centre, Road No.12, Banjara Hills, Hyderabad -500034, Telangana, India.

7.20 The present main objects of the Resulting Company-2 is provided in Sub-Clause 1 to 3 of Clause III (a) of its Memorandum of Association.

- To carry on in India or abroad the business of developing, constructing, establishing, commissioning, setting up, operating, maintaining, alteration, pulling down and restore either alone or jointly with any other companies or persons, Government, firms, associations authorities, bodies, trusts, agencies, societies or any other person or persons engaged in or in connection with either directly or indirectly and whether wholly or in part, for the purposes of infrastructure development work or providing infrastructure facility or engaged in infrastructure activities, which shall include work or facility or providing of services in relation to or in connection with setting up, development, construction, operation, maintenance, modernization, expansion and improvement of any infrastructure project or facility of Special Economic Zones, Export Processing Zone, knowledge parks, information technology parks, Hardware parks, bio-technology parks, agri parks, food parks or any other Industrial parks.*
- To carry on in India or elsewhere the business of civil contractors, Engineers, consulting engineers in all its branches and to undertake market survey and undertake job works such as planning outlay of lands, drawing and also obtain necessary permissions, clearances, sanctions, approvals from governments or other agencies in respect of all types of constructions transactions and to lease, hire, contract or otherwise give on rent the construction and earth moving equipments and all other*

properties movable or immovable and to organize, undertake, carry on in all or any kind of their branches in India or outside India of the business of builders, earth masonry and general construction. Contractors and haulers and among other things to construct, execute, carryout, equip, improve, work and repair, sanitary, water, gas, electricity and any other supply of work of every kind.

3. To carry on the business of builders of commercial & residential complexes, flats, prefabricated and precast buildings, lodging houses, resorts, hotels, go downs, hospitals, cinema houses & other recreation buildings including multiplex, malls, roads, bridges, tanks, drains, dams, culverts, canals, irrigation projects, thermal projects, all types of power projects, purchase, sell, develop, run, take in exchange, lease, hire, or otherwise acquire, whether for investment or sale or working the same, any real or personal estate including lands, mines, business buildings, ports, factories, mills, houses, cottages, shops, depots, warehouses, machinery, plant, stock-in trade, mineral rights, concessions, privileges, licenses, easement or interest in or with respect to any property whatsoever for the purpose of the company in consideration for a gross sum or rent or partly in one way and partly in the other or for any other consideration and to carry on business as proprietors of flats and buildings and to let on lease or otherwise, apartments therein and to provide for the conveniences commonly provided in flats, suites and residential and business quarters and to undertake, carry on business of land development, deal in real estates, construction and building activities in India or abroad as real estate developers, builders, contractors and generally to deal in all or any of their branches to construct, erect, repair, furnish, build, decorate, develop, demolish and maintain buildings, structures, roads, paths, townships, waterways, drainage works and any other constructions

There were no changes to the main objects of the Resulting Company-12 since its incorporation.

- 7.21** The authorized, issued, subscribed and paid-up share capital of the Resulting Company-2 as on 31.03.2019, is as follows:

Particulars	Amount (in Rs.)
Authorized Share Capital	
10,00,000 Equity Shares of Rs.10/- (Rupees Ten only) each	1,00,00,000
Issued, Subscribed and Paid up Capital	
200 Equity Shares of Rs.10/- (Rupees Ten only) each	2,000

The Equity Shares of the Resulting Company-2, are not listed on any stock exchange.

- 7.22** The Resulting Company-2 is the wholly owned subsidiary of the Demerged Company i.e. M/s. GAR Corporation Private Limited which holds 100% of the Paid up capital of the Resulting Company-2.

- 7.23** The following is the extract of the Register of Members of the Resulting Company-2 showing the latest list of the equity shareholders of the Resulting Company-2:

Sl. No.	Name of the equity shareholder	No. of shares	Face value	Total Capital	%
1.	GAR Corporation Private Limited	199	10	1,990	99.50
2.	Gavva Amarender Reddy (Nominee of GAR Corporation Private Limited)	1	10	10	0.50
Total		200	10	2,000	100.00%

- 7.24** Details of directors of Resulting Company-2:

Full Name	DIN	Present Address	Date of Appointment
Gavva Amarender Reddy	00041988	H. No. 8-2-293/82/A/1305, Road No. 65, Jubilee Hills, Hyderabad – 500033, Telangana	16/02/2017
Gavva Abhinav Ram Reddy	03190058	H. No. 8-2-293/82/A/1305, Road No. 65, Jubilee Hills, Hyderabad – 500033, Telangana	16/02/2017
Narsapuram Srinivas	00368908	410, Mount Santoshi Apartments Mayuri Marg, Begumpet Hyderabad 500016 Telangana	16/02/2017

7.25 All the above mentioned Directors of the Resulting Company-2 have voted in favor of the Resolution approving the Scheme of Arrangement between GAR Corporation Private Limited (Demerged Company) and Laxmi Infobahn One Private Limited (Resulting Company-1) and Laxmi Infobahn Aquaduct Private Limited (Resulting Company-2) and their respective Shareholders and Creditors at the meeting of Board of Directors of the Company held on 29th June, 2019.

8 RATIONALE OF THE SCHEME

8.1 The circumstances that have necessitated or justified the proposed Scheme of Arrangement and its main benefits are, *inter-alia*, summarised as under:

- (i) Different segments of business of GAR Corporation Pvt Ltd., operate under different legal, compliance and regulatory environment, and thus need to pursue independent business and commercial objectives;
- (ii) The Board of Directors believe that creation of industry specific companies will permit the Board and management of each company to focus on their core competencies, without needing to consider matters which are relevant only to the other company, as is currently the case;
- (iii) The nature of competition and risk involved in each of the segment is also distinct from each other and each segment is capable of attracting strategic partners, investors and lenders.
- (iv) Keeping in view, the future prospect of the construction business and risks associated with it, GAR Corporation Pvt Ltd., ultimately propose to divest either fully or partially, or induct either Strategic Partner or Equity Partner in this business to grow the business independently.
- (v) The restructuring under this Scheme would enable focused business approach for the maximisation of benefits to business and to the Shareholders.

9 SCOPE OF THE SCHEME

9.1 This Scheme is presented under Sections 230 to 232 and all other applicable provisions of the Companies Act, 2013, and provides for the arrangement of Demerged Company into Resulting Company-1 and Resulting Company-2.

9.2 The Scheme also provides for various other matters consequential to, or otherwise integrally connected with the above. The sequence of events contemplated under the scheme is as under:

1. Arrangement of the Demerged Company into Resulting Company-1 and Resulting Company-2.
2. Pursuant to scheme of arrangement, the Demerged company continues its business without dissolution.

9.3 This Scheme of Arrangement has been drawn up to comply with the conditions as specified under section 2(1B) of Income Tax Act, 1961, such that:

- i) The properties mentioned at Schedule A & B in the scheme of arrangement of Demerged Company become the properties of Resulting Company-1 by virtue of arrangement.
- ii) All the liabilities of Demerged Company, in respect of Schedule-A and Schedule-B shall be transferred to Resulting Company-1 by virtue of arrangement.
- iii) The properties mentioned at Schedule C & D in the scheme of arrangement of Demerged Company become the properties of Resulting Company-2 by virtue of arrangement
- iv) All the liabilities of Demerged Company, in respect of Schedule-C and Schedule-D shall be transferred to Resulting Company-2 by virtue of arrangement

SALIENT FEATURES OF THE SCHEME

9.4 The Scheme of Arrangement is presented under Sections 230 to 232 and all other applicable provisions of the Companies Act, 2013, and provides for the demerger of GAR Corporation Private Limited (hereinafter referred to as "Demerged Company") into Laxmi Infobahn One Private Limited (hereinafter referred to as "Resulting Company-1") and Laxmi Infobahn Aquaduct Private Limited (hereinafter referred to as "Resulting Company-2"). The Scheme also provides for various other matters consequential to, or otherwise integrally connected with the above, as more specifically stated

hereinafter.

9.5 “**Appointed date**” means 01.04.2019 (First day of April, Two Thousand and Nineteen) or such other date as may be approved by the Hon'ble National Company Law Tribunal, Bench at Hyderabad. The Appointed Date shall be the effective date and the Scheme shall be deemed to be effective from the Appointed Date.

9.6 Transfer of assets, properties, estates, claims, debts, duties, liabilities, obligations etc.,

1. Subject to the provisions of this Scheme and upon the sanction of the Scheme by the Tribunal and with effect from the Appointed Date, the Undertaking of the Demerged Company shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, of the Act, without any further act or deed be transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company-1 and Resulting Company-2 on a going concern basis and all the rights, title, interest or obligations of the Transferor Company therein, in the following manner:
2. “**Transferred Undertaking –I**” shall mean the assets and liabilities of GAR Corporation Private Limited carried on anywhere in India related to SEZ Undertaking and in particular includes the following:
 - a. the Special Economic Zone (‘SEZ’) notified by the Government of India vide S.O. 1042(E) dated 27 March 2017 for land measuring Ac.4-04 Gts (1.66 Hectares) at survey number 89/A, 89/AA1, 89/E1 situated at Kokapet Village, Gandipet Mandal, Rangareddy District, Telangana – 500075 more fully described in **Schedule A** and includes, all the business, activities, properties (Immovable and movable), rights, privileges, obligations, investments, loans and advances, work in progress, stocks, current assets, title and interest, agreements, all statutory approvals pertaining to the said Resulting Company – I including the work and construction in progress of the same, clients, customers and operations and corresponding liabilities of whatsoever nature and kind pertaining to the operations being carried on by the Demerged Company thereat (i.e. the SEZ location) along with all the statutory approvals, SEZ approvals and notifications in connection thereto which upon the transfer to the Resulting Company -I coming into effect shall stand transferred to and vested in the Resulting Company-I, on a going concern basis, together with all its assets and liabilities and shall mean and include (without limitation):
 - b. All assets, whether movable or immovable, whether tangible or intangible, leasehold or freehold, including all rights, title, stocks and inventory, statutory approvals obtained for the construction and associate operations, derivative instruments, interest, covenant, undertakings, liabilities relating thereto, and all loans and advances, appertaining to the Resulting Company I;
 - c. All the secured and unsecured debts, borrowings and liabilities, including contingent liabilities, present or future liabilities, whether secured or unsecured of the Resulting Company I;
 - d. All rights, entitlements, permissions, licenses, registrations, tenancies, privileges and benefits of all contracts including customer contracts, vendor contracts, agreements and all other rights including lease rights, power and facilities of every kind and description whatsoever pertaining to the Resulting Company I;
 - e. All staff, workmen and employees engaged in or in relation to the Resulting Company I at their respective offices or places and at their current terms and conditions;
 - f. All contracts or agreements including customer contracts, Purchase Orders, Work Orders, Service Orders, lease agreements and all other agreements, benefits, advantages, deposits, receivables, funds, book debts, loans, advances pertaining to the Resulting Company I;
 - g. All necessary files, records, papers, documents, computer information, manual data and information, customer information, and all such other information connected with or incidental to the Resulting Company I;

- h. All that approvals / notifications, registrations, permits, plans, sanctions, licenses, agreements, engagements, advantages, benefits, exemptions of whatsoever nature (including but not limited to the benefits of all tax holiday, tax relief, including credit under the IT Act such as credit for tax deducted at source, brought forward accumulated tax losses, unabsorbed depreciation, deductions for contribution towards provident fund, gratuity fund, superannuation fund and any other special employee related funds, bonus and other incentives paid to employees, CENVAT Credit/VAT/sales tax credits/credit under GST regulations, service tax credits, deduction for any tax, duty, cess or fee paid, whether or not allowable as a deduction under section 43B or 40(a) of the IT Act, etc.) pertaining to the Resulting Company I.
- i. the Special Economic Zone ('SEZ') approved vide letter no. F.1/27/2016-SEZ dated 28.06.2018 issued by Ministry of Commerce and Industry, Department of Commerce, Government of India and notified in the Gazette of India vide S.O. 1406 dated 12th April 2019 for land measuring Ac.1-36 Gts (0.769 Hectares) at survey number 89 situated at Kokapet Village, Gandipet Mandal, Rangareddy District, Telangana – 500075 more fully described in **Schedule B** and includes, all the business, activities, properties (Immovable and movable), rights, privileges, obligations, investments, loans and advances, work in progress, stocks, current assets, title and interest, agreements, all statutory approvals pertaining to the said Resulting Company – I including the work and construction in progress of the same, clients, customers and operations and corresponding liabilities of whatsoever nature and kind pertaining to the operations being carried on by the Demerged Company thereat (i.e. the SEZ location) along with all the statutory approvals, SEZ approvals and notifications in connection thereto which upon the transfer to the Resulting Company - I coming into effect shall stand transferred to and vested in the Resulting Company-I, on a going concern basis, together with all its assets and liabilities and shall mean and include (without limitation):
- j. All assets, whether movable or immovable, whether tangible or intangible, leasehold or freehold, including all rights, title, stocks and inventory, statutory approvals obtained for the construction and associate operations, derivative instruments, interest, covenant, undertakings, liabilities relating thereto, and all loans and advances, appertaining to the Resulting Company I;
- k. All the development rights to be exercised as per the development agreement cum GPA and supplementary agreement to DAGPA which was executed and registered between the Demerged Company and the owners of the adjacent land Mr.K.Venkat Deepak and Others will transfer to the Resulting Company I;
- l. All the secured and unsecured debts, borrowings and liabilities, including contingent liabilities, present or future liabilities, whether secured or unsecured of the Resulting Company I;
- m. All rights, entitlements, permissions, licenses, registrations ,tenancies, privileges and benefits of all contracts including customer contracts, vendor contracts, agreements and all other rights including lease rights, power and facilities of every kind and description whatsoever pertaining to the Resulting Company I;
- n. All staff, workmen and employees engaged in or in relation to the Resulting Company I at their respective offices or places and at their current terms and conditions;
- o. All contracts or agreements including customer contracts, Purchase Orders, Work Orders, Service Orders, lease agreements and all other agreements, benefits, advantages, deposits, receivables, funds, book debts, loans, advances pertaining to the Resulting Company I;
- p. All necessary files, records, papers, documents, computer information, manual data and information, customer information, and all such other information connected with or incidental to the Resulting Company I;

- q. All that approvals / notifications, registrations, permits, plans, sanctions, licenses, agreements, engagements, advantages, benefits, exemptions of whatsoever nature (including but not limited to the benefits of all tax holiday, tax relief, including credit under the IT Act such as credit for tax deducted at source, brought forward accumulated tax losses, unabsorbed depreciation, deductions for contribution towards provident fund, gratuity fund, superannuation fund and any other special employee related funds, bonus and other incentives paid to employees, CENVAT Credit/VAT/sales tax credits/credit under GST regulations, service tax credits, deduction for any tax, duty, cess or fee paid, whether or not allowable as a deduction under section 43B or 40(a) of the IT Act, etc.) pertaining to the Resulting Company I.
3. **“Transferred Undertaking– II”** shall mean the assets and liabilities of GAR Corporation Private Limited carried on anywhere in India related to SEZ Undertaking and in particular includes the following:
- a. means the Special Economic Zone (‘SEZ’) notified by the Government of India vide S.O. 1043(E) dated 27 March 2017 for land measuring Ac.6-13.5 Guntas (2.56 Hectares) in survey number 21(P), 22(P), 23, 24 situated at Kokapet Village, Gandipet Mandal, Rangareddy District, Telangana – 500075 more fully described in **Schedule C** being developed and includes, all the business, activities, properties (immovable and movable), rights, privileges, obligations, investments, loans and advances, work in progress, stocks, current assets, title and interest, agreements, all statutory approvals pertaining to the said Resulting Company – II including the work and construction in progress of the same, clients, customers and operations and corresponding liabilities of whatsoever nature and kind pertaining to the said Resulting Company – II and operations being carried on by the Resulting Company – II thereat (i.e. the SEZ location) along with all the statutory approvals, SEZ approvals and notifications in connection thereto which upon the transfer of the Resulting Company – II coming into effect shall stand transferred to and vested in the Resulting Company – II, on a going concern basis, together with all its assets and liabilities and shall mean and include (without limitation):
 - b. All assets, whether movable or immovable, whether tangible or intangible, leasehold or freehold, including all rights, title, stocks and inventory, statutory approvals obtained for the construction and associate operations, derivative instruments, interest, covenant, undertakings, liabilities relating thereto, and all loans and advances, appertaining to the Resulting Company – II;
 - c. All the secured and unsecured debts, borrowings and liabilities, including contingent liabilities, present or future liabilities, whether secured or unsecured of the Resulting Company – II;
 - d. All rights, entitlements, permissions, licenses, registrations, tenancies, privileges and benefits of all contracts including customer contracts, vendor contracts, agreements and all other rights including lease rights, power and facilities of every kind and description whatsoever pertaining to the Resulting Company – II;
 - e. All staff, workmen and employees engaged in or in relation to the Resulting Company – II at their respective offices or places and at their current terms and conditions;
 - f. All contracts or agreements including customer contracts, Purchase Orders, Work Orders, Service Orders, lease agreements and all other agreements, benefits, advantages, deposits, receivables, funds, book debts, loans, advances pertaining to the Resulting Company – II;
 - g. All necessary files, records, papers, documents, computer information, manual data and information, customer information, and all such other information connected with or incidental to the Resulting Company – II;
 - h. All that approvals/notifications, registrations, permits, plans, sanctions, licenses, agreements, engagements, advantages, benefits, exemptions of whatsoever nature (including but not limited to the benefits of all tax holiday, tax relief, including credit under the IT Act such as credit for tax deducted at source, brought forward accumulated tax losses, unabsorbed depreciation, deductions for contribution towards provident fund, gratuity fund, superannuation fund and any other special employee related funds, bonus and other incentives paid to employees, CENVAT Credit/VAT/sales tax credits/ credit under GST regulations, service tax credits, deduction for any tax, duty, cess or fee paid, whether or not allowable as a deduction under section 43B or 40(a) of the IT Act, etc.) pertaining to the Resulting Company – II.

- i. All the development rights to be exercised by the Demerged Company as per the MOU's/Development agreements executed between the Demerged company and the owners of the adjacent lands in Sy.no.18,19,20 and 26, Kokapet Village, Gandipet Mandal , Ranga Reddy District for development of Non SEZ projects more fully described in **Schedule D** and includes, all the business, activities, properties (immovable and movable), rights, privileges, obligations, investments, loans and advances, work in progress, stocks, current assets, title and interest, agreements, all statutory approvals pertaining to the said Resulting Company – II including the work and construction in progress of the same, clients, customers and operations and corresponding liabilities of whatsoever nature and kind pertaining to the said Resulting Company – II and operations being carried on by the Resulting Company – II thereat along with all the statutory approvals and notifications in connection thereto which upon the transfer to the Resulting Company – II coming into effect shall stand transferred to and vested in the Resulting Company – II, on a going concern basis, together with all its assets and liabilities and shall mean and include (without limitation):
- j. All assets, whether movable or immovable, whether tangible or intangible, leasehold or freehold, including all rights, title, stocks and inventory, statutory approvals obtained for the construction and associate operations, derivative instruments, interest, covenant, undertakings, liabilities relating thereto, and all loans and advances, appertaining to the Resulting Company – II;
- k. All the secured and unsecured debts, borrowings and liabilities, including contingent liabilities, present or future liabilities, whether secured or unsecured of the Resulting Company – II;
- l. All rights, entitlements, permissions, licenses, registrations, tenancies, privileges and benefits of all contracts including customer contracts, vendor contracts, agreements and all other rights including lease rights, power and facilities of every kind and description whatsoever pertaining to the Resulting Company – II;
- m. All staff, workmen and employees engaged in or in relation to the Resulting Company – II at their respective offices or places and at their current terms and conditions;
- n. All contracts or agreements including customer contracts, Purchase Orders, Work Orders, Service Orders, lease agreements and all other agreements, benefits, advantages, deposits, receivables, funds, book debts, loans, advances pertaining to the Resulting Company – II;
- o. All necessary files, records, papers, documents, computer information, manual data and information, customer information, and all such other information connected with or incidental to the Resulting Company – II;
- p. All that approvals/notifications, registrations, permits, plans, sanctions, licenses, agreements, engagements, advantages, benefits, exemptions of whatsoever nature (including but not limited to the benefits of all tax holiday, tax relief, including credit under the IT Act such as credit for tax deducted at source, brought forward accumulated tax losses, unabsorbed depreciation, deductions for contribution towards provident fund, gratuity fund, superannuation fund and any other special employee related funds, bonus and other incentives paid to employees, CENVAT Credit/VAT/sales tax credits/ credit under GST regulations, service tax credits, deduction for any tax, duty, cess or fee paid, whether or not allowable as a deduction under section 43B or 40(a) of the IT Act, etc.) pertaining to the Resulting Company – II.

9.7 Staff, workmen and employees:

1. The Resulting Company-I and the Resulting Company-II shall engage on and from the Effective Date, all the employees of Demerged Company engaged in the business of the Transferred Undertaking – I and the Transferred Undertaking – II respectively, as the case may be, on the same terms and conditions on which they were engaged without any interruption of service as a result of their transfer and the Resulting Company-I agrees that the services of all the employees with the Demerged Company and Resulting Company-II agrees that the services of all the employees with the Demerged Company in the Resulting Company – II up to the Effective Date shall be taken into

account for the purpose of all retirement benefits to which they may be eligible in the Demerged Company up to the Effective Date.

2. For the purpose of payment of any compensation, gratuity and other terminal benefits, the immediate past services of such Transferred Employees with the Demerged Company shall also be taken into account, and paid (as and when payable by the Resulting Company-I and the Resulting Company-II). The Remaining Employees will continue to be employees of the Demerged Company on their existing terms and conditions.
3. As far as the Employee Provident Fund/General Provident Fund administered by the Ministry of Labour, Government of India and/or other schemes and funds if any existing for the benefit and welfare of the employees of the Undertakings of the Demerged Company are concerned, upon the Scheme becoming effective, the Resulting Company-I and the Resulting Company-II shall be substituted for the Demerged Company for all the purposes whatsoever related to the administration or operation of such Schemes or Funds or in relation to the obligations to make contributions to the said Funds in accordance with provisions of such Schemes or Funds according to the provisions contained in the Employees Provident Funds And Miscellaneous Provisions Act, 1952 and other applicable Laws and Acts as the case maybe. All the rights, duties, powers, and obligations of the Demerged Company in relation to such Schemes or Funds shall become those of the respective Resulting Companies. The services of the employees pertaining to the Demerged Company and transferred to the respective Resulting Companies will be treated as being continuous for the purposes of the aforesaid Schemes or Funds.
4. In so far as the existing benefits or funds created by the Demerged Company for the Remaining Employees are concerned, the same shall continue and the Demerged Company shall continue to contribute to such funds and trusts in accordance with the provisions thereof, and such funds and trusts, if any, shall be held inter alia for the benefit of the Remaining Employees.

9.8 CONSIDERATION:

1. The Consideration, for the demerger/transfer of Undertaking-I, would be equal to Rs 20,74,790/- (Rupees Twenty Lakhs Seventy Four Lakhs Ninety only). The Consideration would be discharged by Resulting Company – I by fresh issue of 2,07,479 Equity shares @ Rs. 10/- per equity share in favour of the Demerged Company.
2. The Consideration, for the demerger/ transfer of Undertaking-II, would be equal to Rs. 89,09,000/- (Rupees Eighty Nine lakhs nine thousand only). The Consideration would be discharged by Resulting Company – II by fresh issue of 8,90,900 Equity shares @ Rs. 10/- per equity share in the ratio of 80:20 in favour of the share holders of demerged company i.e, Mr.G.Amarender Reddy (80) and Mr.G.Abhinav Ram Reddy (20).
3. In the event that Demerged Company restructures its equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the number of shares to be issued shall be adjusted accordingly to take into account the effect of any such corporate actions.
4. The issue and allotment of equity shares by Resulting Companies to demerged company shall be deemed to have complied with the provisions of Section 55 of the Act and any other applicable provisions of the Act.

9.9 ACCOUNTING TREATMENT:

1. Accounting treatment in the books of the Demerged Company:
 - i. The Demerged Company shall, upon the scheme becoming effective, reduce the assets and liabilities of the Transferred Undertaking – I and the Transferred Undertaking - II vested in the respective Resulting Company(ies) at their respective book values as appearing on the close of business day immediately preceding the Appointed Date.

- ii. All the assets, properties and liabilities of the Transferred Undertaking – I and the Transferred Undertaking - II shall be transferred to the respective Resulting Company(ies) at the value appearing in the books of the Demerged Company at the close of the business day immediately preceding the Appointed Date.
 - iii. Pursuant to the demerger of the Transferred Undertaking – I and the Transferred Undertaking - II of the Demerged Company in accordance with this Scheme, the difference, if any, arising between the net book value of assets and liabilities of the Transferred Undertaking – I and the Transferred Undertaking – II so transferred and the value of equity shares received from the respective Resulting Company(ies), shall be credited to general reserve or the same shall be written off against Profit & Loss account of the Demerged Company or adjusted as the Board of Directors of the Demerged Company may decide in accordance with the applicable accounting standards and accounting practices.
2. Accounting treatment in the books of the Resulting Company-I and the Resulting Company-II
- i. Upon the coming into effect of the scheme, the respective Resulting Companies shall record the assets and liabilities of the Resulting Company – I and the Resulting Company- II as the case may be vested in it pursuant to this Scheme, at their respective book values on the close of business on the day prior to the Appointed Date.
 - ii. The difference, if any, between the book value of assets and liabilities of the Transferred Undertaking – I and the Transferred Undertaking – II as recorded by the respective Resulting Company and the equity share capital issued in consideration for acquisition of Resulting Company – I and the Resulting Company- II shall be deemed to comprise and recorded, in case excess as its Capital Reserve or in case of deficit as Goodwill. Such reserve will be a reserve arising pursuant to the Scheme and will not constitute a reserve created by respective Resulting Company.
 - iii. In case of any differences in accounting policies between the Demerged Company and the respective Resulting Companies, the impact of such differences shall be quantified and adjusted by the Resulting Companies in its books of accounts to ensure that the true financial statements of Resulting Companies on the Appointed Date are presented on the basis of consistent accounting policies.

9.10 Effect of Non-Receipt of Approvals/Sanctions:

- a) In the event of any of the said sanctions and approvals referred to above are not obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the NCLT, Hyderabad bench at Hyderabad and/or order or orders not being passed as aforesaid before such other date as may be mutually agreed upon by the respective Board of Directors of the Demerged Company and the respective Resulting Companies who are hereby empowered and authorized to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s), this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se each of the Demerged Company and the respective Resulting Companies or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed.
- b) If any Part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Demerged Company and the respective Resulting Companies through their respective Boards, affect the validity or implementation of the other Parts and/ or provisions of this Scheme.
- c) Further, it is the intention of the Parties that each Part shall be severable from the remainder of this Scheme and the Scheme shall not be affected if any part of this Scheme is found to be unworkable for any reason whatsoever unless the deletion of such part shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in this Scheme or cause such part to be null and void, including but not limited to such part.

9.11 Scheme Conditional on Approval/Sanctions

1. The Scheme is conditional upon subject to:
 - (a) Approval by requisite majority of the members /creditors either through a meeting or otherwise of the Demerged Company, the Resulting Company-I, and the Resulting Company-II as may be directed by the NCLT, Hyderabad, bench at Hyderabad.
 - (b) Approval of the Scheme by the Hon'ble National Company Law Tribunal, Hyderabad;
 - (c) Certified copies of the orders of the National Company Law Tribunal, Hyderabad sanctioning the Scheme being filed with the Registrar of Companies, Telangana.
 - (d) The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of the Scheme;
 - (e) Subject to receipt of necessary regulatory approvals.
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.
3. The sequence of taking effect of Part II, Part III and Part IV of the Scheme, which is of essence to the Scheme, shall be as under:
 - (a) Part II, which provides for Arrangement of the Demerged Company, Resulting Company I and Resulting Company - II from the Demerged Company shall take effect and be operative prior to coming into effect of Part III of the Scheme.
 - (b) Part III, which provides for Demerger of identified undertakings of Demerged Company to Resulting Company-I and Resulting Company-II shall take effect and be operative immediately after coming into effect of Part II of the Scheme

9.12 Costs, charges, etc.

All costs, charges, levies and expenses (including stamp duty) in relation to or in connection with or incidental to this Scheme or the implementation thereof shall be borne and paid by the Demerged Company.

You are hereby requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

10 Valuation

Since the Resulting Company-1 and Resulting Company-2 is the wholly owned subsidiary Company of the Demerged Company, the valuation is not carried out.

11 Pre and Post Arrangement Capital Structure

- a) The pre & Post Arrangement Capital Structure of the Demerged Company is as follows:
The Pre-Arrangement Capital structure of Demerged Company as on March 31, 2019, is given at clause 7.4 this Explanatory Statement.

Post Arrangement

Authorised Capital	Rupees
1,17,50,000 Equity Shares of Rs.10/- each	11,75,00,000/-
Total	11,75,00,000/-
Issued, Subscribed & Paid up	
36,08,078 Equity Shares of Rs.10/- each	3,60,80,780/-

Total	3,60,80,780/-
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- b) The pre and post Arrangement Capital Structure of the Resulting Company-1 is as follows:
The Pre-Arrangement Capital structure of Resulting Company-1 as on March 31, 2019, is given at clause 7.13 this Explanatory Statement

Post Arrangement

Authorised Capital	Rupees
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000/-
Issued, Subscribed & Paid up	
2,07,679/- Equity Shares of Rs.10/- each	20,76,790/-

- c) The pre and post Arrangement Capital Structure of the Resulting Company-2 is as follows:
The Pre-Arrangement Capital structure of Resulting Company-2 as on March 31, 2019, is given at clause 7.21 this Explanatory Statement

Post Arrangement

Authorised Capital	Rupees
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000/-
Issued, Subscribed & Paid up	
8,91,100/- Equity Shares of Rs.10/- each	89,11,000/-

12 Pre and Post Arrangement Shareholding Pattern

- a) The pre Arrangement shareholding pattern of Demerged Company, Resulting Company-1 and Resulting Company-2 as on March 31, 2019, is given at clause 7.6, 7.15 and 7.23 of this Explanatory Statement respectively.
- b) The post Arrangement shareholding pattern of Resulting Company-1 and Resulting Company-2 is as follows:

Sl. No.	Name of the equity shareholder	Resulting Company-1		Resulting Company-2	
		No. of shares	%	No. of shares	%
1.	GAR Corporation Private Limited	207679 (#)	100	200	0.02
2.	Gavva Amarender Reddy	-	-	712720	79.98
3.	Gavva Abhinav Ram Reddy	-	-	178180	19.99
Total		207679	100.00%	891100	100.00%

(#) Out of 207679 Shares, 1(one) No. share will be held in the name of Mr.Gavva Amarender Reddy as nominee shareholder of GAR Corporation Pvt Ltd.

- 13 The Scheme of Arrangement, if approved by the appropriate authorities and the Tribunal, shall not have any adverse impact or effect on the Key Managerial Personnel (KMP), Directors, Promoters, Non-Promoter

Members, Creditors, whether secured or unsecured, employees of Demerged Company and / or Resulting Companies. The Companies does not have any Depositors or the Debenture Holders.

- 14 The Directors and KMP of the Demerged Company and the Directors of the Resulting Companies have no material interest in the proposed Scheme of Arrangement and the Scheme of Arrangement shall not have any adverse effect on the Directors and Key Managerial Persons of respective Companies.
- 15 The directors of the Demerged Company holds shares in the Demerged company and the Resulting Company-2.
- 16 A report adopted by the Board of Directors of the Demerged Company and the Board of Directors of the Resulting Company-1 and Resulting Company-2, explaining the effect of Scheme on key managerial personnel, promoters and non-promoter shareholders is enclosed to this Notice.
- 17 The rights and interests of Secured Creditors and Unsecured Creditors of the Demerged Company or the Resulting Companies will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner and post the Scheme, the Demerged Company and the Resulting Company-1&2 will be able to meet its liabilities as they arise in the ordinary course of business.
- 18 There are no winding up proceedings pending against the Demerged Company or against the Resulting Company –1 or Resulting Company-2 as of date.
- 19 No inquiry or investigation under sections 235 to 251 of the Companies Act, 1956, or under Section 210 to 227 of Companies Act, 2013, is pending against Demerged Company or against the Resulting Company –1 or Resulting Company-2.
- 20 The financial position of the Demerged Company or the Resulting Company –1 and Resulting Company-2 will not be adversely affected by the Scheme.
- 21 The Scheme of Arrangement requires the approval / sanction / no objection from the following the regulatory and government authorities:
 - a) Registrar of Companies
 - b) Regional Director
 - c) National Company Law TribunalThe Companies are yet to obtain the sanction of Registrar of Companies, Regional Director, and the National Company Law Tribunal, Bench at Hyderabad. The approval of the aforesaid authorities will be obtained at appropriate time.
- 22 Inspection and / or extract by the unsecured Creditors of the Company, of the following documents is allowed at the Registered Office of the Company on all working days (except on Saturdays, Sundays and Public Holidays) upto 21st day of March, 2020, between 11:00 AM to 05:00 PM and the same details are kept in the website at: www.garcorp.in.
 - a) Company Application No. C.A. (CAA) NO.31/230/HDB/2020, filed by the Demerged Company and the Resulting Company-1 and Resulting Company-2 before the Hon'ble National Company Law Tribunal, Bench at Hyderabad.
 - b) Certified copy of the order dated 12th day of February, 2020, passed by the Hon'ble National Company Law Tribunal, Bench at Hyderabad, in the C.A.(CAA) NO.31/230/HDB/2020.
 - c) Resolution passed by the Board of Directors of GAR Corporation Private Limited (Demerged Company) and Laxmi Infobahn One Private Limited (Resulting Company-1) and Laxmi Infobahn Aquaduct Private Limited (Resulting Company-2) approving the Scheme of Arrangement at their respective meetings held on 29.06.2019.

- d) Scheme of Arrangement between GAR Corporation Private Limited (Demerged Company) and Laxmi Infobahn One Private Limited (Resulting Company-1) and Laxmi Infobahn Aquaduct Private Limited (Resulting Company-2) and their Respective Shareholders and Creditors.
 - e) A certificate issued by Auditors of the Companies to the effect that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;
 - f) Memorandum and Articles of Association of the Demerged Company and the Resulting Company-1 & Resulting Company-2.
 - g) Report adopted by the Board of Directors of the GAR Corporation Private Limited (Demerged Company) explaining the effect of Scheme on key managerial personnel, promoters and non-promoter Shareholders.
 - h) Audited Balance Sheet and Profit and Loss account of the Demerged Company and Resulting Company-1 & 2 for the financial year ended on 31.03.2019.
- 23 The Scheme of Arrangement, if approved by the Unsecured Creditors, shall be operative from the Appointed Date subject to the approval and directions of the Hon'ble National Company Law Tribunal, Bench at Hyderabad.
- 24 None of the Directors and Key Managerial Personnel of respective Companies and their respective relatives is concerned or interested, financially or otherwise in the proposed resolution.
- 25 The Board of Directors recommends the resolution set out in the notice in relation to the approval of the proposed Scheme of Arrangement between GAR Corporation Private Limited (Demerged Company) and Laxmi Infobahn One Private Limited (Resulting Company-1) and Laxmi Infobahn Aquaduct Private Limited (Resulting Company-2) and their respective Shareholders and Creditors, for approval by the Unsecured Creditors of the Company.
- 26 This statement may be treated as an Explanatory Statement under Section 102 read with sections 230 to 232 of the Companies Act, 2013, read with relevant rules made thereunder.
- 27 A copy of the Scheme, Explanatory Statement, Proxy Forms and Attendance Slips may be obtained from the Registered Office of the Company.

Dated this the 30TH day of March 2021 Hyderabad

Sd/-

**D.V.K. Phanindra, Chairperson - Tribunal Convened
Meeting of Unsecured Creditors of GAR Corporation Private Limited**

SCHEME OF ARRANGEMENT

(UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 AND OTHER APPLICABLE PROVISIONS

OF THE COMPANIES ACT, 2013)

BETWEEN

**GAR CORPORATION PRIVATE LIMITED
(DEMERGED COMPANY)**

AND

**LAXMI INFOBAHN ONE PRIVATE LIMITED
(RESULTING COMPANY-I)**

AND

**LAXMI INFOBAHN AQUADUCT PRIVATE LIMITED
(RESULTING COMPANY-II)**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

SCHEME OF ARRANGEMENT

I. PREAMBLE

This Scheme of Arrangement ("**Scheme**", *more particularly defined hereinafter*) is presented pursuant to the provision of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 as may be applicable, and also read with Section 2(19AA) and other relevant provisions of the Income Tax Act, 1961, as may be applicable, for the demerger of an undertaking of GAR Corporation Private Limited ("GAR") to Laxmi Infobahn One Private Limited ("LIOPL") and demerger of another undertaking to Laxmi Infobahn Aquaduct Private Limited("LIAPL") on a going concern basis.

1.1. BACKGROUND AND DESCRIPTION OF THE COMPANIES WHO ARE PARTIES TO THE SCHEME

1.2. This Scheme of Arrangement is presented pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as applicable for the:

- GAR Corporation Private Limited (i.e. Demerged Company); and
- Demerger of the SEZ Undertakings into Resulting Company-I and Resulting Company-II as defined hereinafter of GAR Corporation Private Limited and vesting the same with the following:
- Laxmi Infobahn One Private Limited (i.e. **Resulting Company-I**); and
- Laxmi Infobahn Aquaduct Private Limited (i.e. **Resulting Company-II**).

Additionally, this Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

1.3. **M/s. GAR Corporation Private Limited** (CIN No. U70102TG2006PTC049672), the Demerged Company (as defined hereunder), is a company incorporated on 31st March 2006 and has its registered office at Hyderabad, Telangana. The Demerged Company is engaged in the business of setting-up of IT/ITES sector specific SEZ, development of other commercial and residential, non-SEZ spaces, investment in various land banks and operates and maintains various commercial properties. The email id of the Demerged Company is gareddy@garcorp.in. The details of the Promoters and Directors of the Demerged Company are as follows:

Promoters:

Sl. No.	Name of the Promoters	Address of the Promoters
1.	Mr. G. Amarender Reddy	H. No. 8-2-293/82/A/1305, Road No. 65, Jubilee Hills, Hyderabad – 500033, Telangana
2.	Mr. G. Abhinav Ram Reddy	H. No. 8-2-293/82/A/1305, Road No. 65, Jubilee Hills, Hyderabad – 500033, Telangana

Directors:

Sl. No.	Name of the Director	Address of the Directors
1.	Mr. G. Amarender Reddy	H. No. 8-2-293/82/A/1305, Road No. 65, Jubilee Hills, Hyderabad – 500033, Telangana
2.	Mr.G. Abhinav Ram Reddy	H. No. 8-2-293/82/A/1305, Road No. 65, Jubilee Hills, Hyderabad – 500033, Telangana
3.	Mrs.G. Rekha Reddy	H. No. 8-2-293/82/A/1305, Road No. 65, Jubilee Hills, Hyderabad – 500033, Telangana

The main objects of the Demerged Company are provided in sub-clause 1 to 5 of Clause - A of its Memorandum of Association.

1.4. M/s Laxmi Infobahn One Private Limited (CIN No. U70109TG2017PTC115270) the Resulting Company-I/Undertaking-I is a company incorporated on 16th February 2017 and has its registered office in Hyderabad, Telangana. The Resulting Company-I is a wholly owned subsidiary of the Demerged Company and is engaged in the business of developing, constructing, setting up, operating, maintaining, alteration, either alone or jointly with any other companies or persons for the purposes of infrastructure development work or providing infrastructure facility, which shall include work or facility or providing of services in relation to any infrastructure project or facility of SEZ's or any other industrial parks and leasing of developed area.

The email id of the Resulting Company-I is **krishnan@garcorp.in**. The details of the Promoters and Directors of the Resulting Company-I are as follows:

Promoters:

Sl. No.	Name of the Promoters	Address of the Promoters
1.	GAR Corporation Private Limited	H.No.8-2-682, Laxmi Cyber Centre, Road No.12, Banjara Hills, Hyderabad, Telangana, India – 500034.

Directors:

Sl. No.	Name of the Director	Address of the Directors
1.	Mr. G. Amarender Reddy	H. No. 8-2-293/82/A/1305, Road No. 65, Jubilee Hills, Hyderabad – 500033, Telangana
2.	Mr. G. Abhinav Ram Reddy	H. No. 8-2-293/82/A/1305, Road No. 65, Jubilee Hills, Hyderabad – 500033, Telangana
3.	Mr. N. Srinivas	410, Mount Santoshi Apartments Mayuri Marg, Begumpet Hyderabad 500016 Telangana

The main objects of the Resulting Company-I is provided in Sub-Clause 1 to 3 of Clause III (a) of its Memorandum of Association.

1.5. M/s. Laxmi Infobahn Aquaduct Private Limited (CIN No. U70109TG2017PTC115269), the Resulting Company-II/Undertaking-II, is a company incorporated on 16th February 2017 and has its registered office in Hyderabad, Telangana. The Resulting Company-II is a wholly owned subsidiary of the Demerged Company and is engaged in the business of developing, constructing, setting up, operating, maintaining, alteration, either alone or jointly with any other companies or persons for the purposes of infrastructure development work or providing infrastructure facility, which shall include work or facility or providing of services in relation to any infrastructure project or facility of SEZ's or any other industrial parks and leasing of developed area. The email id of the Resulting Company-II is **krishnan@garcorp.in**. The details of the Promoters and Directors of the Resulting Company-II are as follows:

Promoters:

Sl. No.	Name of the Promoters	Address of the Promoters
1.	GAR Corporation Private Limited	H.No.8-2-682, Laxmi Cyber Centre, Road No.12, Banjara Hills, Hyderabad - 500034, Telangana.

Directors:

Sl. No.	Name of the Director	Address of the Directors
1.	Mr. G. Amarender Reddy	H. No. 8-2-293/82/A/1305, Road No. 65, Jubilee Hills, Hyderabad - 500033, Telangana.
2.	Mr. G. Abhinav Ram Reddy	H. No. 8-2-293/82/A/1305, Road No. 65, Jubilee Hills, Hyderabad - 500033, Telangana.
3.	Mr. N. Srinivas	410, Mount Santoshi Apartments Mayuri Marg, Begumpet Hyderabad - 500016, Telangana.

The main object of the Resulting Company-II is provided in Sub-Clause 1 to 3 of Clause III (a) of its Memorandum of Association.

2. RATIONALE FOR THE SCHEME

2.1. The circumstances that have necessitated or justified the proposed Scheme of Arrangement and its main benefits are, *inter-alia*, summarised as under:

(vi) Different segments of business of GAR Corporation Pvt Ltd., operate under different legal, compliance and regulatory environment, and thus need to pursue independent business and commercial objectives;

(vii) The Board of Directors believe that creation of industry specific companies will permit the Board and management of each company to focus on their core competencies, without needing to consider matters which are relevant only to the other company, as is currently the case;

(viii) The nature of competition and risk involved in each of the segment is also distinct from each other and each segment is capable of attracting strategic partners, investors and lenders.

(ix) Keeping in view, the future prospect of the construction business and risks associated with it, GAR Corporation Pvt Ltd., ultimately propose to divest either fully or partially, or induct either Strategic Partner or Equity Partner in this business to grow the business independently.

(x) The restructuring under this Scheme would enable focussed business approach for the maximisation of benefits to business and to the Shareholders.

PARTS OF THE SCHEME

The Scheme of Arrangement is divided into following sections:

- a) **PART I** - Deals with definitions, interpretation, effective date and share capital;
- b) **PART II** - Deals with transfer and vesting of businesses of the Demerged Company being Transferred Undertaking – I and Transferred Undertaking – II into the Resulting Company – I and Resulting Company - II;
- c) **PART III** - Deals with arrangement of business of the Demerged Company-I with Resulting Company-I and Resulting Company-II;
- d) **PART IV** - Deals with general terms and conditions applicable to this Composite Scheme of Arrangement and other matters consequential and integrally connected thereto.

PART I

3. DEFINITIONS, INTERPRETATIONS, DATE COMING INTO EFFECT AND SHARE CAPITAL

3.1. DEFINITIONS

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

COMMON

3.1.1. **“Act”** or **“the Act”** means the Companies Act, 2013 and includes any statutory modifications, re-enactment or amendments thereof for the time being in force;

3.1.2. **“Appointed Date”** means **01st April 2019** or such other date as may be fixed or approved by the Appropriate Authority;

3.1.3. **“Appropriate Authority”** means any government, statutory, regulatory, departmental or public body or authority of the jurisdiction over Demerged Company, the Resulting Company-I and the Resulting Company-II, including Registrar of Companies and the National Company Law Tribunal;

3.1.4. **“Board of Directors”** or **“Board”** shall mean Board of Directors of the Demerged Company or the Resulting Company-I or the Resulting Company-II, as the case may be or any committee thereof duly constituted or any other person duly authorized by the Board of Directors for the purpose of this Scheme;

3.1.5. **“Demerger”** means the transfer by way of demerger of the demerged undertaking from the demerged company to the resulting companies.

3.1.6. **“Demerged Company”** means M/s. GAR Corporation Private Limited

3.1.7. **“Effective Date”** means last of the dates on which the conditions specified in **Clause 12** are complied with. Any references in this Scheme to “upon this Scheme becoming effective” or “effectiveness of this Scheme” shall mean and refer to the Effective Date;

3.1.8. **“Equity shares”** mean the equity shares of Rs.10/- each of the Demerged Company or the Resulting Company-I or the Resulting Company-II, individually and collectively;

3.1.9. **“Equity shareholders”** or **“shareholders”** mean the shareholders of the Demerged Company or the Resulting Company-I or the Resulting Company-II holding equity shares;

3.1.10. **“GST regulations”** means applicable provisions of the Central Goods and Services Tax Act, 2017 and/or The Integrated Goods and Services Tax Act, 2017 and/or respective State Goods and Services Tax Act and/or The Union Territory Goods and Services Tax Act, 2017 along with the applicable rules made thereunder;

3.1.11. **“Income Tax Act”** means the Income Tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force.

3.1.12. **“INR”** means Indian Rupees;

3.1.13. **“NCLT”** means National Company Law Tribunal formed and notified vide Ministry of Corporate Affairs notification dated 1 June 2016;

3.1.14. **“Parties”** shall mean collectively the Demerged Company and the Resulting Companies, and **“Party”** shall mean each of them, individually.

3.1.15. **“Registrar of Companies”** means Registrar of Companies, Hyderabad having jurisdiction over the States of Telangana;

3.1.16. **“Retained Undertaking”** means all the undertakings, businesses and operations of the Demerged Company, after the transfer of Transferred Undertaking – I and Transferred Undertaking – II to the Resulting Company-I and the Resulting Company -II;

3.1.17. **“Transferred Undertaking –I”** shall mean the assets and liabilities of GAR Corporation Private Limited carried on anywhere in India related to SEZ Undertaking and in particular includes the following:

3.1.18.(a) the Special Economic Zone ('SEZ') notified by the Government of India vide S.O. 1042(E) dated 27 March 2017 for land measuring Ac.4-04 Gts (1.66 Hectares) at survey number 89/A, 89/AA1, 89/E1 situated at Kokapet Village, Gandipet Mandal, Rangareddy District, Telangana – 500075 more fully described in **Schedule A** and includes, all the business, activities, properties (Immovable and movable), rights, privileges, obligations, investments, loans and advances, work in progress, stocks, current assets, title and interest, agreements, all statutory approvals pertaining to the said Resulting Company – I including the work and construction in progress of the same, clients, customers and operations and corresponding liabilities of whatsoever nature and kind pertaining to the operations being carried on by the Demerged Company thereat (i.e. the SEZ location) along with all the statutory approvals, SEZ approvals and notifications in connection thereto which upon the transfer to the Resulting Company -I coming into effect shall stand transferred to and vested in the Resulting Company-I, on a going concern basis, together with all its assets and liabilities and shall mean and include (without limitation):

1. All assets, whether movable or immovable, whether tangible or intangible, leasehold or freehold, including all rights, title, stocks and inventory, statutory approvals obtained for the construction and associate operations, derivative instruments, interest, covenant, undertakings, liabilities relating thereto, and all loans and advances, appertaining to the Resulting Company I;
2. All the secured and unsecured debts, borrowings and liabilities, including contingent liabilities, present or future liabilities, whether secured or unsecured of the Resulting Company I;
3. All rights, entitlements, permissions, licenses, registrations, tenancies, privileges and benefits of all contracts including customer contracts, vendor contracts, agreements and all other rights including lease rights, power and facilities of every kind and description whatsoever pertaining to the Resulting Company I;
4. All staff, workmen and employees engaged in or in relation to the Resulting Company I at their respective offices or places and at their current terms and conditions;
5. All contracts or agreements including customer contracts, Purchase Orders, Work Orders, Service Orders, lease agreements and all other agreements, benefits, advantages, deposits, receivables, funds, book debts, loans, advances pertaining to the Resulting Company I;
6. All necessary files, records, papers, documents, computer information, manual data and information, customer information, and all such other information connected with or incidental to the Resulting Company I;
7. (a) All that approvals / notifications, registrations, permits, plans, sanctions, licenses, agreements, engagements, advantages, benefits, exemptions of whatsoever nature (including but not limited to the benefits of all tax holiday, tax relief, including credit under the IT Act such as credit for tax deducted at source, brought forward accumulated tax losses, unabsorbed depreciation, deductions for contribution towards provident fund, gratuity fund, superannuation fund and any other special employee related funds, bonus and other incentives paid to employees, CENVAT Credit/VAT/sales tax credits/credit under GST regulations, service tax credits, deduction for any tax, duty, cess or fee paid, whether or not allowable as a deduction under section 43B or 40(a) of the IT Act, etc.) pertaining to the Resulting Company I.

(b) the Special Economic Zone ('SEZ') approved vide letter no. F.1/27/2016-SEZ dated 28.06.2018 issued by Ministry of Commerce and Industry, Department of Commerce, Government of India and notified in the Gazette of India vide S.O. 1406 dated 12th April 2019 for land measuring Ac.1-36 Gts (0.769 Hectares) at survey number 89 situated at Kokapet Village, Gandipet Mandal, Rangareddy District, Telangana – 500075 more fully described in **Schedule B** and includes, all the business, activities, properties (Immovable and movable), rights, privileges, obligations, investments, loans and advances, work in progress, stocks, current assets, title and interest, agreements, all statutory approvals pertaining to the said Resulting Company – I including the work and construction in progress of the same, clients, customers and operations and corresponding liabilities of whatsoever nature and kind pertaining to the operations being carried on by the Demerged Company thereat (i.e. the SEZ location) along with all the statutory approvals, SEZ approvals and notifications in connection thereto which upon the transfer to the Resulting Company - I coming into effect shall stand transferred to and vested in the Resulting Company-I, on a going concern basis, together with all its assets and liabilities and shall mean and include (without limitation):

1. All assets, whether movable or immovable, whether tangible or intangible, leasehold or freehold, including all rights, title, stocks and inventory, statutory approvals obtained for the construction and associate operations, derivative instruments, interest, covenant, undertakings, liabilities relating thereto, and all loans and advances, appertaining to the Resulting Company I;
2. All the development rights to be exercised as per the development agreement cum GPA and supplementary agreement to DAGPA which was executed and registered between the Demerged Company and the owners of the adjacent land Mr.K.Venkat Deepak and Others will transfer to the Resulting Company I;
3. All the secured and unsecured debts, borrowings and liabilities, including contingent liabilities, present or future liabilities, whether secured or unsecured of the Resulting Company I;
4. All rights, entitlements, permissions, licenses, registrations, tenancies, privileges and benefits of all contracts including customer contracts, vendor contracts, agreements and all other rights including lease rights, power and facilities of every kind and description whatsoever pertaining to the Resulting Company I;

5. All staff, workmen and employees engaged in or in relation to the Resulting Company I at their respective offices or places and at their current terms and conditions;
6. All contracts or agreements including customer contracts, Purchase Orders, Work Orders, Service Orders, lease agreements and all other agreements, benefits, advantages, deposits, receivables, funds, book debts, loans, advances pertaining to the Resulting Company I;
7. All necessary files, records, papers, documents, computer information, manual data and information, customer information, and all such other information connected with or incidental to the Resulting Company I;
8. All that approvals / notifications, registrations, permits, plans, sanctions, licenses, agreements, engagements, advantages, benefits, exemptions of whatsoever nature (including but not limited to the benefits of all tax holiday, tax relief, including credit under the IT Act such as credit for tax deducted at source, brought forward accumulated tax losses, unabsorbed depreciation, deductions for contribution towards provident fund, gratuity fund, superannuation fund and any other special employee related funds, bonus and other incentives paid to employees, CENVAT Credit/VAT/sales tax credits/credit under GST regulations, service tax credits, deduction for any tax, duty, cess or fee paid, whether or not allowable as a deduction under section 43B or 40(a) of the IT Act, etc.) pertaining to the Resulting Company I.

3.1.19. **“Transferred Undertaking– II”** shall mean the assets and liabilities of GAR Corporation Private Limited carried on anywhere in India related to SEZ Undertaking and in particular includes the following

(a) means the Special Economic Zone (‘SEZ’) notified by the Government of India vide S.O. 1043(E) dated 27 March 2017 for land measuring Ac.6-13.5 Guntas (2.56 Hectares) in survey number 21(P), 22(P), 23, 24 situated at Kokapet Village, Gandipet Mandal, Rangareddy District, Telangana – 500075 more fully described in **Schedule C** being developed and includes, all the business, activities, properties (immovable and movable), rights, privileges, obligations, investments, loans and advances, work in progress, stocks, current assets, title and interest, agreements, all statutory approvals pertaining to the said Resulting Company – II including the work and construction in progress of the same, clients, customers and operations and corresponding liabilities of whatsoever nature and kind pertaining to the said Resulting Company – II and operations being carried on by the Resulting Company – II thereat (i.e. the SEZ location) along with all the statutory approvals, SEZ approvals and notifications in connection thereto which upon the transfer of the Resulting Company – II coming into effect shall stand transferred to and vested in the Resulting Company – II, on a going concern basis, together with all its assets and liabilities and shall mean and include (without limitation):

- a All assets, whether movable or immovable, whether tangible or intangible, leasehold or freehold, including all rights, title, stocks and inventory, statutory approvals obtained for the construction and associate operations, derivative instruments, interest, covenant, undertakings, liabilities relating thereto, and all loans and advances, appertaining to the Resulting Company – II;
- b All the secured and unsecured debts, borrowings and liabilities, including contingent liabilities, present or future liabilities, whether secured or unsecured of the Resulting Company – II;
- c All rights, entitlements, permissions, licenses, registrations, tenancies, privileges and benefits of all contracts including customer contracts, vendor contracts, agreements and all other rights including lease rights, power and facilities of every kind and description whatsoever pertaining to the Resulting Company – II;
- d All staff, workmen and employees engaged in or in relation to the Resulting Company – II at their respective offices or places and at their current terms and conditions;
- e All contracts or agreements including customer contracts, Purchase Orders, Work Orders, Service Orders, lease agreements and all other agreements, benefits, advantages, deposits, receivables, funds, book debts, loans, advances pertaining to the Resulting Company – II;
- f All necessary files, records, papers, documents, computer information, manual data and information, customer information, and all such other information connected with or incidental to the Resulting Company – II;
- g All that approvals/notifications, registrations, permits, plans, sanctions, licenses, agreements, engagements, advantages, benefits, exemptions of whatsoever nature (including but not limited to the benefits of all tax holiday, tax relief, including credit under the IT Act such as credit for tax deducted at source, brought forward accumulated tax losses, unabsorbed depreciation, deductions for contribution towards provident fund, gratuity fund, superannuation fund and any other special employee related funds, bonus and other incentives paid to employees, CENVAT Credit/VAT/sales tax credits/credit under GST regulations, service tax credits, deduction for any tax, duty, cess or fee paid, whether or not allowable as a deduction under section 43B or 40(a) of the IT Act, etc.) pertaining to the Resulting Company – II.

(b) All the development rights to be exercised by the Demerged Company as per the MOU's/Development agreements executed between the Demerged company and the owners of the adjacent lands in Sy.no.18,19,20 and 26, Kokapet Village, Gandipet Mandal , Ranga Reddy District for development of Non SEZ projects more fully described in **Schedule D** and includes, all the business, activities, properties (immovable and movable), rights, privileges, obligations, investments, loans and advances, work in progress, stocks, current assets, title and interest, agreements, all statutory approvals pertaining to the said Resulting Company – II including the work and construction in progress of the same, clients, customers and operations and corresponding liabilities of whatsoever nature and kind pertaining to the said Resulting Company – II and operations being carried on by the Resulting Company – II thereat along with all the statutory approvals and notifications in connection thereto which upon the transfer to the Resulting Company – II coming into effect shall stand transferred to and vested in the Resulting Company – II, on a going concern basis, together with all its assets and liabilities and shall mean and include (without limitation):

- a All assets, whether movable or immovable, whether tangible or intangible, leasehold or freehold, including all rights, title, stocks and inventory, statutory approvals obtained for the construction and associate operations, derivative instruments, interest, covenant, undertakings, liabilities relating thereto, and all loans and advances, appertaining to the Resulting Company – II;
- b All the secured and unsecured debts, borrowings and liabilities, including contingent liabilities, present or future liabilities, whether secured or unsecured of the Resulting Company – II;
- c All rights, entitlements, permissions, licenses, registrations, tenancies, privileges and benefits of all contracts including customer contracts, vendor contracts, agreements and all other rights including lease rights, power and facilities of every kind and description whatsoever pertaining to the Resulting Company – II;
- d All staff, workmen and employees engaged in or in relation to the Resulting Company – II at their respective offices or places and at their current terms and conditions;
- e All contracts or agreements including customer contracts, Purchase Orders, Work Orders, Service Orders, lease agreements and all other agreements, benefits, advantages, deposits, receivables, funds, book debts, loans, advances pertaining to the Resulting Company – II;
- f All necessary files, records, papers, documents, computer information, manual data and information, customer information, and all such other information connected with or incidental to the Resulting Company – II;
- g All that approvals/notifications, registrations, permits, plans, sanctions, licenses, agreements, engagements, advantages, benefits, exemptions of whatsoever nature (including but not limited to the benefits of all tax holiday, tax relief, including credit under the IT Act such as credit for tax deducted at source, brought forward accumulated tax losses, unabsorbed depreciation, deductions for contribution towards provident fund, gratuity fund, superannuation fund and any other special employee related funds, bonus and other incentives paid to employees, CENVAT Credit/VAT/sales tax credits/ credit under GST regulations, service tax credits, deduction for any tax, duty, cess or fee paid, whether or not allowable as a deduction under section 43B or 40(a) of the IT Act, etc.) pertaining to the Resulting Company – II.

3.1.18“**Scheme**”, “**the Scheme**”, “**this Scheme**” means this scheme of arrangement in its present form submitted to the NCLT, Hyderabad bench at Hyderabad or any other Appropriate Authority in the relevant jurisdictions with any modification(s) thereto as the NCLT, Hyderabad bench at Hyderabad or any other Appropriate Authority may direct;

3.1.19“**Specified Date**” means the date to be fixed by the Board of Directors of the Demerged Company for the purpose of determining the members of the Demerged Company to whom shares will be allotted pursuant to this Scheme.

3.2. INTERPRETATION OF THE SCHEME

In this Scheme, unless the context otherwise requires:

- a) references to persons shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- b) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- c) words in the singular shall include the plural and vice versa; and
- d) all terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

3.3. DATE OF TAKING EFFECT AND OPERATIVE DATE

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

3.4. SHARE CAPITAL

A. The share capital of the Demerged Company as on Appointed Date is as under:

Appointed Date:

Authorized Share Capital	Amount (Rs)
1,18,50,000 Equity shares of Rs. 10 each	11,85,00,000
Total	11,85,00,000
Issued, Subscribed and Fully Paid Up Share Capital	Amount (Rs)
47,06,457 Equity shares of Rs. 10each	4,70,64,570
Total	4,70,64,570

B. The share capital of the Resulting Company-I as on Appointed Date is as under:

Authorized Share Capital	Amount (Rs)
10,00,000 Equity shares of Rs. 10/- each	1,00,00,000
Total	1,00,00,000
Issued, Subscribed and Fully Paid Up Share Capital	Amount (Rs)
200 Equity shares of Rs. 10/- each	2,000
Total	2,000

The authorized, issued, subscribed and paid-up capital of the Resulting Company-I is same as above as on the date of Board Meeting sanctioning the scheme.

C. The share capital of the Resulting Company-II as on Appointed Date is as under:

Authorized Share Capital	Amount (Rs)
10,00,000 Equity shares of Rs. 10 each	1,00,00,000
Total	1,00,00,000
Issued, Subscribed and Fully Paid Up Share Capital	Amount (Rs)
200 Equity shares of Rs. 10each	2,000
Total	2,000

The authorized, issued, subscribed and paid-up capital of the Resulting Company-II is same as above as on the date of Board Meeting sanctioning the scheme.

Subsequent to the scheme of arrangement becoming effective the demerged company's paid capital will be transferred proportionately to the Resulting Company – I and Resulting Company – II. Upon the scheme of arrangement being effective the share capital of the Demerged Company's, Resulting Company – I and Resulting Company – II would be as per the below mentioned tables.

D. The share capital of Demerged Company as on effective date will be as under:

	Rupees
Authorised Capital	
1,18,50,000 Equity Shares of Rs.10/- each	11,85,00,000/-
Total	11,85,00,000/-
Issued, Subscribed & Paid up	
36,08,078 Equity Shares of Rs.10/- each	3,60,80,780/-
Total	3,60,80,780/-

E.The share capital of Resulting Company – I as on effective date will be as under:

	Rupees
Authorised Capital	
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000/-
Issued, Subscribed & Paid up	
2,07,679/- Equity Shares of Rs.10/- each	20,76,790/-

F. The share capital of Resulting Company –II as on effective date will be as under:

	Rupees
Authorised Capital	
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000/-
Total	
Issued, Subscribed & Paid up	
8,91,100 Equity Shares of Rs10/- each	89,11,000/-

PART II

DEMERGER OF IDENTIFIED SEZ UNDERTAKINGS OF THE DEMERGED COMPANY TO RESULTING COMPANY- I AND RESULTING COMPANY- II

4. TRANSFER AND VESTING OF IDENTIFIED UNDERTAKINGS OF DEMERGED COMPANY-

4.1. GENERAL

i. Upon the coming into effect of this Scheme and with effect from the Appointed Date defined in Clause 3.1.2, the Undertaking - I shall stand transferred from the Demerged Company to the Resulting Company - I, as provided in this Scheme, and, pursuant to the provisions of Section 232 read with Section 230 of the Companies Act, 2013 and other applicable provisions of the Act, if any, and without any further act, instrument or deed, matter or thing be transferred on a going concern basis such that as and from the Appointed Date all the assets and debts outstanding, credits, liabilities, duties and obligations whatsoever concerning the Undertaking-I, as on the Appointed Date shall, accordingly stand transferred to and vested in and/or be deemed to be and stand transferred to and vested in the Resulting Company-I, as set out in scheme hereunder. Broad heads of assets and liabilities and their provisional values of the Resulting Company -I as on the Appointed Date as would appear in the balance sheet of the Resulting Company-I upon the scheme coming into force have been described in **Schedule –A & B** hereunder. The Board of Directors of the Demerged Company and the Resulting Company-I shall record the assets and liabilities as well as financials of the Resulting Company - I in the books and financial statements of the Resulting Company-I duly adjusting the changes taken place till the Effective Date and shall decide the interchange of the sources/liabilities of the said Resulting Company-I.

ii. Upon the coming into effect of this Scheme and with effect from the Appointed Date defined in Clause 3.1.2, the Undertaking -II shall stand transferred from the Demerged Company to the Resulting Company-II, as provided in this Scheme, and, pursuant to the provisions of Section 232 read with section 230 of the Companies Act, 2013 and other applicable provisions of the Act, if any, and without any further act, instrument or deed, matter or thing be transferred on a going concern basis such that as and from the Appointed Date, all the assets and debts outstanding, credits, liabilities, duties and obligations whatsoever concerning the Undertaking - II, as on the Appointed Date shall, accordingly stand transferred to and vested in and/or be deemed to be and stand transferred to and vested in the Resulting Company-II, as set out in scheme hereunder. Broad heads of assets and liabilities and their provisional values of the Resulting Company-II as on the Appointed Date as would appear in the balance sheet of the Resulting Company-II upon the scheme coming into force have been described in **Schedule C & D** hereunder. The Board of Directors of the Demerged Company and the Resulting Company-II shall record the assets and liabilities as well as financials of the Resulting Company-II in the books and financial statements of the Resulting Company-II duly adjusting the changes taken place till the Effective Date and shall decide the interchange of the sources/liabilities of the said Resulting Company-II.

4.2. TRANSFER OF ASSETS

4.2.1. Without prejudice to the generality of Clause 4.1 above, upon coming into effect of this Scheme and with effect from the Appointed Date:

a) In respect of such of the assets and properties of the Resulting Company -I and the Resulting Company-II as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall with effect from the Appointed Date stand so transferred, delivered or endorsed and delivered, as the case may be, by the Demerged Company upon coming into effect of the scheme, and shall ipso facto and without any other order to this effect become the property and an integral part of the respective Resulting Companies (namely the subject matter pertaining to the Resulting Company – I and the subject matter pertaining to Resulting Company-II. In respect of such of the said assets other than those referred to hereinabove including the immovable properties, fixed assets, current assets and all other assets of the Resulting Company – I and Resulting Company - II, the same shall, without any further act, instrument or deed, be transferred to, and vested in, and/or be deemed to be transferred to and vested in the respective Resulting Companies.

b) For the purpose of giving effect to this scheme, the respective Resulting Companies shall at any time pursuant to the relevant order on this Scheme be entitled to get effected the change in the title and appurtenant legal right(s) upon the vesting of such properties (including immovable properties) of the Resulting Company – I and Resulting Company – II.

c) For avoidance of doubt, upon the Scheme becoming effective, all the rights, title, interest and claims of the Demerged Company in any properties (including immovable properties), in relation to the Resulting Company – I and Resulting Company - II shall, pursuant to Section 230 of the Act read with Section 232 of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the respective Resulting Companies as a going concern so as to become, as and from the Appointed Date, the undertaking, including all the estates, assets, rights, claims, title, interest and authorities of the respective Resulting Companies, subject to the provisions of this Scheme.

d) The Demerged Company shall, wherever necessary, execute all necessary documents at its cost, to effect and evidence such transfer and vesting of assets, rights, licenses, approvals, permits, etc., covered in this Scheme and, make necessary applications to the authorities concerned independently and/or jointly with the Resulting Company – I and Resulting Company - II for such transfer and vesting.

e) All assets and properties of the Demerged Company in relation/pertaining to Transferred Undertaking-I and Transferred Undertaking – II to as on the Appointed Date, whether or not included in the books of the Demerged Company, and all assets and properties, which are acquired by the Demerged Company on or after the Appointed Date but prior to the Effective Date in relation/pertaining to Resulting Company – I and Resulting Company - II, shall be deemed to be the properties of the Resulting Company – I and Resulting Company - II, respectively and shall under the provisions of Section 230 read with Section 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be vested in and be deemed to have been vested in the Resulting Companies upon the coming into effect of this Scheme.

f) Where the Demerged Company is entitled to any benefits under incentive schemes and policies and pursuant to this Scheme, it is declared that the benefits under all of such schemes and policies shall be transferred to and vested in the respective Resulting Companies and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by the respective Resulting Companies and these shall relate back to the Appointed Date as if the Resulting Companies were originally entitled to all benefits under such incentive scheme and/or policies, subject to continued compliance by the Resulting Companies of all the terms and conditions subject to which the benefits under the incentive schemes were made available to the Demerged Company.

4.3. TRANSFER OF LIABILITIES

4.3.1. With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, reserves, duties and obligations of every kind, nature and description relating to the Transferred Undertaking-I and Transferred Undertaking-II which may accrue or arise after the Appointed Date but which is related to the period upto the date immediately preceding the Appointed Date, if any, whether quantified or not shall pursuant to the scheme of arrangement being effective as per the provision of Section 230 of the Act read with section 232 of the Act, without any further act or deed, be transferred to, or be deemed to be transferred to the respective Resulting Companies (namely the subject matter pertaining to Resulting Company – I and Resulting Company - II), so as to become as and from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the respective Resulting Companies and the Resulting Company – I and Resulting Company - II undertakes to meet, discharge and satisfy the same.

4.3.2. In respect of general or multipurpose borrowings, debts, liabilities, if any, shall be transferred to or be deemed to be transferred to the respective Resulting Companies as may be mutually agreed by the Board of Directors of the Demerged Company and the Resulting Company – I and Resulting Company - II. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this clause (though the Resulting Companies may, if it deems appropriate, give notice to the debtors that the debts stand transferred to and vested in the Resulting Companies respectively).

4.3.3. Where any of the liabilities and obligations attributed to the Resulting Company – I and Resulting Company - II on the Appointed Date has been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge to the extent it pertains to Resulting Company – I shall be deemed to have been discharged for and on the behalf of the Resulting Company-I and to the extent it pertains to Resulting Company - II, it shall be deemed to have been discharged for and on the behalf of the Resulting Company - II.

4.3.4. All liabilities and obligations attributed to the Resulting Company – I and Resulting Company - II, including its unsecured loans, taken over by the respective Resulting Companies, may be discharged by the Resulting Companies by way of one time settlement or in any other manner as the Resulting Companies may deem fit.

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

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

4.3.7. Upon the coming into effect of this Scheme, the Resulting Companies alone shall be liable to perform all obligations in respect of the transferred liabilities, which have been transferred to it in terms of this Scheme, and the Demerged Company shall not have any obligations in respect of such transferred liabilities.

4.4. DISCHARGE OF THE LIABILITIES

4.4.1. All loans raised and used, and liabilities repaid by the Demerged Company pertaining to Retained Undertaking after the Appointed Date, but prior to the Effective Date, utilizing the surplus cash derived from the operations of the Transferred Undertaking – I and Transferred Undertaking – II shall be discharged by the Demerged Company, credited or settled to the respective Resulting Companies as may be mutually agreed.

4.4.2. Similarly, all loans raised and used, and liabilities repaid by the Demerged Company pertaining to the Transferred Undertaking – I and Transferred Undertaking – II after the Appointed Date, but prior to the Effective Date, by utilizing the surplus cash derived from the operations of the Retained Undertaking shall be discharged by the Resulting Company – I and Resulting Company - II respectively shall be credited or settled to the Demerged Company as may be mutually agreed.

4.5. DISCHARGE OF LIABILITIES AND LOANS RAISED BY THE DEMERGED COMPANY AFTER THE APPOINTED DATE

4.5.1. Where any of the liabilities and obligations of the Transferred Undertaking – I and the Transferred Undertaking – II as on the Appointed Date have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the respective Resulting Companies.

4.5.2. All loans raised and used and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Demerged Company in relation to or in connection with the operation of the Transferred Undertaking – I and the Transferred Undertaking – II after the Appointed Date and prior to the Effective Date shall also be deemed to have been raised, used, incurred or undertaken for and on behalf of the respective Resulting Companies and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of the Scheme, pursuant to the provisions of Section 230 of the Act read with Section 232 of the Act, without any further act, instrument or deed be and stand transferred to and vested in or be deemed to have been transferred to and vested in the respective Resulting Companies and shall become the debt, duties, undertakings, liabilities and obligations of the respective Resulting Companies and shall be met, discharged and satisfied by the respective Resulting Companies.

4.5.3. Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this Clause shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/or superseded by the foregoing provisions.

PART III

DEMERGER OF IDENTIFIED SEZ UNDERTAKINGS OF THE DEMERGED COMPANY TO RESULTING COMPANY- I AND RESULTING COMPANY- II

5. ARRANGEMENT OF BUSINESS OF THE DEMERGED COMPANY-

5.1. NO COMPROMISE WITH THE CREDITORS

5.1.1. The Scheme is between the Demerged Company, the Resulting Company-I, the Resulting Company-II and their respective shareholders and the rights and the amounts due to creditors of any and each class including but not limited to secured creditors, unsecured, preferential and statutory creditors and sundry or business creditors of the companies or the obligations of the companies towards them or for that matter, anything in relation to them, will not be affected by this scheme in any manner what so ever. The Scheme does not contemplate any compromise with the creditors of any class.

5.2. LEGAL PROCEEDINGS

5.2.1. Upon the coming into effect of this scheme, all the legal or other proceedings by or against the Transferred Undertaking – I and the Transferred Undertaking – II under any statute, whether pending on the Effective Date or which may be instituted in future in respect of any matter arising before the Effective Date and relating to the Transferred Undertaking – I and the Transferred Undertaking – II shall be continued and enforced by or against the respective Resulting Companies after the Effective Date. Except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings that stands transferred to the Resulting Companies.

5.2.2. If proceedings are commenced against the Demerged Company in relation to its Transferred Undertaking – I and the Transferred Undertaking – II for the matters referred above between the Appointed Date and the Effective Date, the Demerged Company shall defend the same as per the advice of the respective Resulting Companies. The respective Resulting Companies will reimburse the entire costs and indemnify the Demerged Company against all liabilities incurred by the Demerged Company in respect thereof.

5.2.3. If any suit, appeal, or other proceedings of whatever nature (hereinafter called the “proceedings”) by or against the Transferred Undertaking – I and the Transferred Undertaking – II of the Demerged Company be pending, the same shall not abate, nor be discontinued or in any way prejudicially affected by reason of the demerger into the Resulting Company – I and the Resulting Company – II of the Demerged Company or of anything contained in the Scheme, but the proceedings shall be continued, prosecuted and enforced by or against the respective Resulting Companies as the case may be in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Demerged Company if, the Scheme had not been made.

5.2.4. The transfer of the Transferred Undertaking – I and the Transferred Undertaking – II and the continuance of the proceedings by or against the Demerged Company pursuant to this scheme, shall not affect any transactions or proceedings already concluded by the Demerged Company, in the ordinary course of business on or after the Appointed Date and the Resulting Companies accept and adopt on behalf of themselves all acts, deeds and things done lawfully and executed by the Demerged Company in regard thereto as having been done or executed on behalf of the Resulting Company-I and the Resulting Company-II, as the case may be.

5.3. EMPLOYEES AND WORKMEN OF THE RESULTING COMPANY – I AND THE RESULTING COMPANY – II

5.3.1. The Resulting Company-I and the Resulting Company-II shall engage on and from the Effective Date, all the employees of Demerged Company engaged in the business of the Transferred Undertaking – I and the Transferred Undertaking – II respectively, as the case may be, on the same terms and conditions on which they were engaged without any interruption of service as a result of their transfer and the Resulting Company-I agrees that the services of all the employees with the Demerged Company and Resulting Company-II agrees that the services of all the employees with the Demerged Company in the Resulting Company – II up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Demerged Company up to the Effective Date.

5.3.2. For the purpose of payment of any compensation, gratuity and other terminal benefits, the immediate past services of such Transferred Employees with the Demerged Company shall also be taken into account, and paid (as and when payable by the Resulting Company-I and the Resulting Company-II). The Remaining Employees will continue to be employees of the Demerged Company on their existing terms and conditions.

5.3.3. As far as the Employee Provident Fund/General Provident Fund administered by the Ministry of Labour, Government of India and/or other schemes and funds if any existing for the benefit and welfare of the employees of the Undertakings of the Demerged Company are concerned, upon the Scheme becoming effective, the Resulting Company-I and the Resulting Company-II shall be substituted for the Demerged Company for all the purposes whatsoever related to the administration or operation of such Schemes or Funds or in relation to the obligations to make contributions to the said Funds in accordance with provisions of such Schemes or Funds according to the provisions contained in the Employees Provident Funds And Miscellaneous Provisions Act, 1952 and other applicable Laws and Acts as the case maybe. All the rights, duties, powers, and obligations of the Demerged Company in relation to such Schemes or Funds shall become those of the respective Resulting Companies. The services of the employees pertaining to the Demerged Company and transferred to the respective Resulting Companies will be treated as being continuous for the purposes of the aforesaid Schemes or Funds.

5.3.4. In so far as the existing benefits or funds created by the Demerged Company for the Remaining Employees are concerned, the same shall continue and the Demerged Company shall continue to contribute to such funds and trusts in accordance with the provisions thereof, and such funds and trusts, if any, shall be held inter alia for the benefit of the Remaining Employees.

5.4. CONTRACTS, DEEDS AND INSTRUMENTS

5.4.1. Subject to the other provisions of the Scheme, all contracts, including contracts for all tenancies and licenses, rentals, deeds, bonds, agreements, franchisee agreements, bonds, lease deeds, rental agreements, agreements of any and all usage, business purchase agreements, schemes, SEZ Approval/ notifications, Municipal and other statutory approvals/building plans, easement rights etc., pertaining to the Transferred Undertaking – I and the Transferred Undertaking – II, Purchase Orders, Work Orders, Service Orders, Insurance Policies of all kind, exemption schemes, Memoranda of Understanding or Memoranda of agreement, Memoranda of agreed points, letters of agreed points, character merchandising licenses, technology transfer agreements, distribution licenses and agreements, usage agreements, arrangements, undertakings whether written or otherwise and other instruments of what so ever nature to which the Demerged Company is a party in relation to its Transferred Undertaking – I and the Transferred Undertaking – II, or the benefits to which the Demerged Company is entitled, or subsisting or operative immediately on or before the Effective Date in relation to the Transferred Undertaking – I and the Transferred Undertaking – II shall be in full force and effect against or in favour of the respective Resulting Companies and may be enforced as fully and effectively as it would be against or for the Demerged Company and the Resulting Company-I and Resulting Company-II, shall enter into and /or issue and /or execute deeds, or bonds in writing or confirm in writing or enter into tripartite agreements, confirmations or notations to which the Demerged Company is a party, to give full effect and formal authenticity to the provisions of this Scheme, if so required or becomes necessary. Further, the respective Resulting Companies shall be deemed to be authorized to execute any such deeds, writings, or confirmations on behalf of the Demerged Company in relation to the Resulting Company – I and the Resulting Company – II and to implement or carry out all the formalities and obligations required on the part of the Demerged Company to give effect to the provisions of this Scheme.

5.4.2. Upon the scheme coming into force and subject to the provisions of this scheme, all permits, quotas, rights, entitlements, licenses including those relating to trade marks, know-how, technical know-how, software, software licenses, trade names, descriptions, trading style, franchises, labels, label designs, colour schemes, utility models, holograms, bar codes, designs, patents, copyrights, privileges benefits under GST regulations and any other rights, title or interest in intellectual property rights, powers, facilities of every kind and description of whatsoever nature to which the Demerged Company is entitled or a party in relation to the Transferred Undertaking – I and the Transferred Undertaking – II, shall be in full force and effect on, or against, or in favour of, the Resulting Companies, as the case may be and may be fully enforced as if, instead of the Demerged Company, the concerned Resulting Companies are a party or a beneficiary or obliged thereto.

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

5.5. CHARGES AND MORTGAGES

5.5.1. All the existing charges and mortgages over the properties of the Transferred Undertaking – I and the Transferred Undertaking – II of the Demerged Company, both movable and immovable in favour of the lending banks and institutions shall stand transferred without any further act and deed to the respective Resulting Companies and the respective Resulting Companies are bound to honour all the terms and conditions of the existing charges and mortgages as though the said charges and mortgages were created by itself against its own properties, without any change or modification however, always, that the Resulting Companies shall if necessary and is insisted by the charge holders, execute any letters, agreements, forms or other papers including communications if any, to the satisfaction of the lenders to effectively implement this scheme and their existing charges and mortgages. The scheme does not in any way affect the charges and mortgages of the lenders and the rights, powers, terms and conditions as well as privileges, attached to such charges and mortgages.

5.5.2. The transfer and vesting of the Transferred Undertaking – I and the Transferred Undertaking – II of the Demerged Company as aforesaid, shall be subject to the existing charges, mortgages, securities if any, subsisting over or in respect of properties and the assets of the Transferred Undertaking – I and the Transferred Undertaking – II of the Demerged Company.

5.5.3. Provided however, any reference in any security document or arrangement to which, the Demerged Company is a party and where any property or asset covered by the said security document or arrangement belong to the Transferred Undertaking – I and the Transferred Undertaking – II they are offered as security to the creditors or banks or financial institutions by the Demerged Company, such reference to those properties and/or assets shall be construed as reference only to the assets pertaining to the Resulting Company – I and the Resulting Company- II of the Demerged Company as are vested in the respective Resulting Companies pursuant to this scheme, to the end and intent and such charge or mortgage shall not extend or be deemed to extend to any of the other assets of the Demerged Company or any of the assets of the Resulting Companies.

5.5.4. Also Provided, that this scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Demerged Company which shall vest in the respective Resulting Companies.

5.5.5. The assets of each and every description of the Demerged Company and the corresponding liabilities which are not related to the Transferred Undertaking – I and the Transferred Undertaking – II of the Demerged Company shall remain in the Demerged Company without any act and deed as forming part of the Remaining Undertaking of the Demerged Company and charges and mortgages over the properties of the Demerged Company not related to the Transferred Undertaking – I and the Transferred Undertaking – II shall remain in the Demerged Company and shall continue to be the charges and mortgages of the secured creditors of the Demerged Company without any further act and deed. However, it is provided that the Demerged Company shall, if necessary or advised by its secured creditors, execute such documents, letters, bonds and undertakings relating to the retained undertaking to protect the rights of its secured creditors over the assets of the Remaining Undertaking, which are mortgaged or charged to them.

5.6. TREATMENT OF TAXES

5.6.1. All taxes (including income tax, sales tax, excise duty, customs duty, security transaction tax, stamp duty, service tax, VAT, amount paid under GST regulations or under other applicable laws/regulations dealing with taxes/duties/levies) paid or payable by Demerged Company in respect of the operations and/or the profits of the businesses of the Transferred Undertaking – I and the Transferred Undertaking – II on or after the Appointed Date shall be on account of the respective Resulting Company and, in so far as it relates to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, security transaction tax, stamp duty, service tax and VAT and amount paid under GST regulations or under other applicable laws/regulations dealing with taxes/duties/levies), whether by way of deduction at source, or otherwise howsoever, by Demerged Company in respect of the profits or activities or operation of the Transferred Undertaking – I and the Transferred Undertaking – II on or after the Appointed Date, the same shall be deemed to be the corresponding item paid by the respective Resulting Company and shall in all proceedings be dealt accordingly. This is notwithstanding that challans or tax payment certificates are in the name of the Demerged Company and not in the name of the Resulting Company-I or the Resulting Company-II.

5.6.2. Any tax liabilities under the IT Act, Customs Act 1962, Central Excise Act, 1944, State sales tax/VAT laws, Central Sales Tax Act, 1956, Finance Act, 1994, GST regulations or other applicable laws/regulations dealing with taxes/duties/levies allocable or related to the business of the Transferred Undertaking – I and the Transferred Undertaking – II, to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date, shall be transferred to the respective Resulting Companies.

5.6.3. It is further provided that upon the Scheme coming into effect, all taxes payable by the Demerged Company and all or any refunds and claims, from the Appointed Date, relating to the Transferred Undertaking – I and the Transferred Undertaking – II, shall, for all purposes, be treated as the tax liabilities or refunds and claims, as the case may be of the Resulting Company – I and the Resulting Company- II respectively. Accordingly, upon the Scheme becoming effective, the Demerged Company and Resulting Companies are also expressly permitted to revise their respective Income Tax Returns, TDS Returns, Service Tax Returns, Sales Tax Returns, Excise /and Cenvat Returns, returns required to be filed under GST regulations and other tax/ statutory returns and to claim refunds and withholding tax credits, and carry forward of accumulated depreciation and losses, etc. pursuant to the provisions of this Scheme.

5.6.4. In accordance with the Cenvat Rules framed under the Central Excise Act, 1944, legislations relating to Value Added Tax as are prevalent on the Effective Date in respect of the applicable State and Service Tax Rules as are prevalent on the Effective Date, legislations relating to GST regulations as are prevalent on the Effective Date and any other indirect tax as may be prevalent on the effective date, the unutilized credits relating to the VAT paid on inputs/work-in-progress/capital goods, credits under GST regulations lying in the accounts of the Demerged Companies, service tax credits and any other indirect tax credits shall be permitted to be transferred to the credit of the Resulting Companies as if all such unutilized credits were lying to the account of the respective Resulting Companies. The Resulting Companies shall accordingly be entitled to set off all such unutilized credits against the excise duty, VAT, service tax payable and amount payable under GST regulations by it.

5.7. EFFECT OF SCHEME

The Scheme shall not have any adverse effect on any key managerial personnel, directors, promoters, non-promoter members, depositors, creditors or any employee of the Demerged Company or the Resulting Company-I or the Resulting Company-II. The Scheme shall also not have any effect on material interests of any of directors or key managerial personnel. Further, the services of all transferred employees and managerial personnel of the Demerged Company to the Resulting Company-I and Resulting Company-II respectively will be treated as having been continuous for the purpose of the aforesaid employee benefits and / or liabilities.

5.8. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

5.8.1. With effect from the Appointed Date up to and including the Effective Date - Effect of the business of the Resulting Company – I and the Resulting Company- II:

5.8.2. CONSIDERATION

a. The Consideration, for the demerger/transfer of Undertaking-I, would be equal to Rs 20,74,790/- (Rupees Twenty Lakhs Seventy Four Lakhs Ninety only). The Consideration would be discharged by Resulting Company – I by fresh issue of 2,07,479 Equity shares @ Rs. 10/- per equity share in favour of the Demerged Company.

b. The Consideration, for the demerger/ transfer of Undertaking-II, would be equal to Rs. 89,09,000/- (Rupees Eighty Nine lakhs nine thousand only). The Consideration would be discharged by Resulting Company – II by fresh issue of 8,90,900 Equity shares @ Rs. 10/- per equity share in the ratio of 80:20 in favour of the share holders of demerged company i.e, Mr.G.Amarender Reddy (80) and Mr.G.Abhinav Ram Reddy (20).

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

d. The issue and allotment of equity shares by Resulting Companies to demerged company shall be deemed to have complied with the provisions of Section 55 of the Act and any other applicable provisions of the Act.

5.9. ACCOUNTING TREATMENT IN BOOKS OF THE DEMERGED COMPANY, THE RESULTING COMPANY-I AND THE RESULTING COMPANY-II

5.9.1. Accounting treatment in the books of the Demerged Company:

i. The Demerged Company shall, upon the scheme becoming effective, reduce the assets and liabilities of the Transferred Undertaking – I and the Transferred Undertaking - II vested in the respective Resulting Company(ies) at their respective book values as appearing on the close of business day immediately preceding the Appointed Date.

ii. All the assets, properties and liabilities of the Transferred Undertaking – I and the Transferred Undertaking - II shall be transferred to the respective Resulting Company(ies) at the value appearing in the books of the Demerged Company at the close of the business day immediately preceding the Appointed Date.

iii. Pursuant to the demerger of the Transferred Undertaking – I and the Transferred Undertaking - II of the Demerged Company in accordance with this Scheme, the difference, if any, arising between the net book value of assets and liabilities of the Transferred Undertaking – I and the Transferred Undertaking – II so transferred and the value of equity shares received from the respective Resulting Company(ies), shall be credited to general reserve or the same shall be written off against Profit & Loss account of the Demerged Company or adjusted as the Board of Directors of the Demerged Company may decide in accordance with the applicable accounting standards and accounting practices.

5.9.2. Accounting treatment in the books of the Resulting Company-I and the Resulting Company-II

iv. Upon the coming into effect of the scheme, the respective Resulting Companies shall record the assets and liabilities of the Resulting Company – I and the Resulting Company- II as the case may be vested in it pursuant to this Scheme, at their respective book values on the close of business on the day prior to the Appointed Date.

v. The difference, if any, between the book value of assets and liabilities of the Transferred Undertaking – I and the Transferred Undertaking – II as recorded by the respective Resulting Company and the equity share capital issued in consideration for acquisition of Resulting Company – I and the Resulting Company- II shall be deemed to comprise and recorded, in case excess as its Capital Reserve or in case of deficit as Goodwill. Such reserve will be a reserve arising pursuant to the Scheme and will not constitute a reserve created by respective Resulting Company.

vi. In case of any differences in accounting policies between the Demerged Company and the respective Resulting Companies, the impact of such differences shall be quantified and adjusted by the Resulting Companies in its books of accounts to ensure that the true financial statements of Resulting Companies on the Appointed Date are presented on the basis of consistent accounting policies.

PART IV

GENERAL TERMS AND CLAUSES

6. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS

6.1. The Scheme is conditional upon subject to:

(a) Approval by requisite majority of the members /creditors either through a meeting or otherwise of the Demerged Company, the Resulting Company-I, and the Resulting Company-II as may be directed by the NCLT, Hyderabad, bench at Hyderabad.

(b) Approval of the Scheme by the Hon'ble National Company Law Tribunal, Hyderabad;

(c) Certified copies of the orders of the National Company Law Tribunal, Hyderabad sanctioning the Scheme being filed with the Registrar of Companies, Telangana.

(d) The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of the Scheme;

(e) Subject to receipt of necessary regulatory approvals.

6.2. 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.

6.3. The sequence of taking effect of Part II, Part III and Part IV of the Scheme, which is of essence to the Scheme, shall be as under:

(a) Part II, which provides for Arrangement of the Demerged Company, Resulting Company I and Resulting Company - II from the Demerged Company shall take effect and be operative prior to coming into effect of Part III of the Scheme.

(b) Part III, which provides for Demerger of identified undertakings of Demerged Company to Resulting Company-I and Resulting Company-II shall take effect and be operative immediately after coming into effect of Part II of the Scheme.

7. APPLICATION TO THE NATIONAL COMPANY LAW TRIBUNAL

7.1. The Demerged Company, the Resulting Company-I and the Resulting Company-II shall, with all reasonable dispatch, make applications to the Hon'ble National Company Law Tribunal, Hyderabad under Sections 230 to 232 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 Hon'ble National Company Law Tribunal.

7.2. Upon this Scheme being approved by the requisite majority of the respective members, and creditors of the Demerged Company, the Resulting Company-I and the Resulting Company-II (as may be directed by the Hon'ble National Company Law Tribunal), each company shall, with all reasonable dispatch, apply to the Hon'ble National Company Law Tribunal, for sanction of this Scheme under Sections 230 to 232 and other applicable provisions of the Act, and for such other order or orders, as the said Hon'ble National Company Law Tribunal may deem fit for carrying this Scheme into effect.

7.3. Upon this Scheme becoming, effective, the respective shareholders of each of the Companies involved in the Scheme 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.

8. MODIFICATIONS / AMENDMENTS TO THE SCHEME

8.1. Each of the companies involved in the Scheme 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 Hon'ble National Company Law Tribunal 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)

8.2. Each of the companies involved in the Scheme shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the Hon'ble National Company Law Tribunal or any other authority or any bank or financial institution is unacceptable to them or otherwise if so mutually agreed.

8.3. Each of the companies involved in the Scheme 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.

9. EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS

9.1. In the event of any of the said sanctions and approvals referred to above are not obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the NCLT, Hyderabad bench at Hyderabad and/or order or orders not being passed as aforesaid before such other date as may be mutually agreed upon by the respective Board of Directors of the Demerged Company and the respective Resulting Companies who are hereby empowered and authorized to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s), this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* each of the Demerged Company and the respective Resulting Companies or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed.

9.2. If any Part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Demerged Company and the respective Resulting Companies through their respective Boards, affect the validity or implementation of the other Parts and/ or provisions of this Scheme.

9.3. Further, it is the intention of the Parties that each Part shall be severable from the remainder of this Scheme and the Scheme shall not be affected if any part of this Scheme is found to be unworkable for any reason whatsoever unless the deletion of such part shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in this Scheme or cause such part to be null and void, including but not limited to such part.

10. COST, CHARGES, AND EXPENSES

10.1. All costs, charges, fees, taxes including duties (including the stamp duty and/ or transfer charges, if any, applicable in relation to Part II of 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 Part I of this Scheme and matters incidental thereto shall be borne and paid by the Demerged Company. The Demerged Company shall be eligible for deduction of expenditure incurred as per section 35DD of the IT Act.

10.2. All costs, charges, fees, taxes including duties (including the stamp duty and/ or transfer charges, if any, applicable in relation to Part III and Part IV of 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 Part III and Part IV of this Scheme and matters incidental thereto shall be borne and paid by the Demerged Company. The Demerged Company shall be eligible for deduction of expenditure incurred as per section 35DD of the IT Act.

11. MISCELLANEOUS

11.1. After the transfer, the respective assets shall be sufficient to meet the respective liabilities of the respective Demerged Company and the respective Resulting Companies and the said Scheme will not adversely affect the rights of any of the creditors of any of the Companies in any manner whatsoever and the assets of the Companies are sufficient for payment of all liabilities as and when the same fall due in usual course.

11.2. Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Undertaking or whether it arises out of the activities or operations of Undertaking shall be decided by mutual agreement between the Board of Directors of the respective Demerged Company and the respective Resulting Companies.

11.3. 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 respective Resulting Companies in respect of the immovable properties vested in it. Any inchoate title or possessory title of the Demerged Company or its predecessor companies shall be deemed to be the title of the respective Resulting Companies.

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

Schedule – A

I. Immovable properties of Resulting Company-I

Sl.No.	Description	Location	Extent
1	Land	Sy.no.89/A,89/AA1, 89/E1, Kokapet (V), Gandipet(M),Ranga Reddy District, notified as SEZ vide S.O. 1042(E) dated 27 March 2017	Ac.4-04 Guntas

Schedule – B

Sl.No.	Description	Location	Extent
1	Development rights	Part of land in Sy.no.89 Kokapet (V), Gandipet(M),Ranga Reddy District, notified as SEZ vide S.O. 1406(E) dated 12.04.2019	Ac.1-36 Guntas

II.Details of assets & liabilities of the Resulting Company-I as on appointed date

ASSETS	AMOUNT (INR)	AMOUNT (INR)
Land admeasuring Ac.4-04 Guntas in Sy.no.89(part)	20,74,790	
Work in Progress as on 31.03.2019	1,28,27,91,478	1,28,48,66,268
Fixed Deposits with ICICI Bank		10,44,90,359
Balance in Current a/c with ICICI Bank, Jubilee Hills branch		56,03,130
Security deposit paid to Owners of JDA land		47,50,000
Security deposit paid to Mr.P.Jagadeesh Reddy		15,00,000
Advances paid to Suppliers / contractors / consultants		14,34,77,475
		1,54,46,87,232
LIABILITIES		
Sundry creditors for materials/services		11,50,91,575
<u>Rent Deposit</u>		
ANSR	1,18,72,980	
Exilant Technologies Pvt Ltd	48,75,480	1,67,48,460
Net Net Web.Com Pvt Ltd		1,05,28,75,525
India Intelligence Pvt Ltd		35,78,96,882
Balancing Figure(shares to be allotted to GAR Corp)		20,74,790
		1,54,46,87,232

Schedule – C

Immovable properties of Resulting Company-II

Sl.No.	Description	Location	Extent
1	Land	Sy.no.21(P),22(P),23 and 24 Kokapet (V), Gandipet(M),Ranga Reddy District, notified as SEZ vide S.O. 1043(E) dated 27 March 2017	Ac.6-13.5 Guntas

Schedule – D

Sl.No.	Description	Location	Extent
1	Development rights	Sy.no.18,19,20 & 26, Kokapet (V), Gandipet(M), Ranga Reddy District	Ac.8-01.5 Guntas

SCHEDULE OF ASSETS AND LIABILITIES TRANSFERRED AS ON 31.03.2019		
	AMOUNT (INR)	AMOUNT (INR)
ASSETS		
Land admeasuring Ac.6-13.5 Guntas in Sy.no.21(P),22(P),23&24	89,09,000	
Work in Progress as on 31.03.2019	64,18,908	1,53,27,908
Expenditure incurred on account of road		28,50,000
Security deposit paid to P.Vasudeva Reddy & Others towards development of their land in Sy.no.18,19 & 20, Kokapet Village, Gandipet Mandal, Ranga Reddy District		1,28,75,000
		3,10,52,908
LIABILITIES		
Net Net Web.Com Pvt Ltd		2,21,43,908
Balancing figure(shares to be allotted in the ratio of 80:20 in favour of Mr.G.Amarender Reddy(80) & Mr.G.Abhinav Ram Reddy(20)		89,09,000
		3,10,52,908

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL – HYDERABAD BENCH
COMPANY APPLICATION No. CA. (CAA) No. 31/230/HDB/2020**

**IN THE MATTER OF THE SECTION 230-232 AND ALL OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013
AND**

IN THE MATTER OF SCHEME OF ARRANGEMENT AMONG M/S. GAR CORPORATION PRIVATE LIMITED - (the 'Demerged Company') AND M/S. LAXMI INFOBAHN ONE PRIVATE LIMITED (the 'Resulting Company – 1') AND M/S. LAXMI INFOBAHN AQUADUCT PRIVATE LIMITED (the 'Resulting Company – 2')

GAR Corporation Private Limited

CIN - U70102TG2006PTC049672

Company Incorporated under the Companies Act, 1956

having its registered office at Laxmi Cyber Centre. 8-2-682,

Road No. 12, Banjara Hills, Hyderabad – 500 034.

..APPLICANT/DEMERGED COMPANY

FORM OF PROXY

Name of the Unsecured Creditor(s):

Registered Address:

I/We _____ being the Unsecured Creditor(s) of GAR Corporation Private Limited hereby appoint the following as my/our Proxy to attend and vote on a poll for me/us and on my/our behalf at meeting of the Unsecured Creditors of the Company convened pursuant to the order of the Hon'ble National Company Law Tribunal - Hyderabad Bench - to be held on 22nd April 2021 at 12 noon in respect of the resolution as indicated below.

1	Name		Registered Address	
	Email ID		Signature	
Failing Her/Him				
2	Name		Registered Address	
	Email ID		Signature	
Failing Her/Him				
3	Name		Registered Address	
	Email ID		Signature	

I/We direct my/our Proxy to vote on the Resolution in the manner as indicated below –

Sl. No.	Resolution	For	Against
1	To approve the Scheme of Arrangement among GAR CORPORATION PRIVATE LIMITED and LAXMI INFOBAHN ONE PRIVATE LIMITED AND LAXMI INFOBAHN AQUADUCT PRIVATE LIMITED		

This is optional. Please put a tick mark (✓) in the appropriate column against the resolution indicated in the box. If an unsecured creditor leaves the “For” or “Against” column blank against the Resolution, the proxy will be entitled to vote in the manner he/she thinks appropriate. If an unsecured creditor wishes to abstain from voting on the resolution, he/she should write “Abstain” across the boxes against the Resolution.

Signature(s) of Unsecured Creditor(s)

1. _____

2. _____

3. _____

Signed this _____ day of _____ 2021

Notes :

1. The Proxy to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the Meeting.

Affix one Rupee Revenue Stamp

ATTENDANCE SLIP

MEETING OF THE UNSECURED CREDITORS OF THE COMPANY CONVENED PURSUANT TO THE ORDER OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL – HYDERABAD BENCH

IN THE MATTER OF Scheme of Arrangement among GAR CORPORATION PRIVATE LIMITED and LAXMI INFOBAHN ONE PRIVATE LIMITED AND LAXMI INFOBAHN AQUADUCT PRIVATE LIMITED			
DAY	DATE	TIME	VENUE
THURSDAY	22.04.2021	12 NOON	Hotel Sitara Grand, Road Number 12, Beside SBI, Banjara Hills, Hyderabad, Telangana – 500034

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

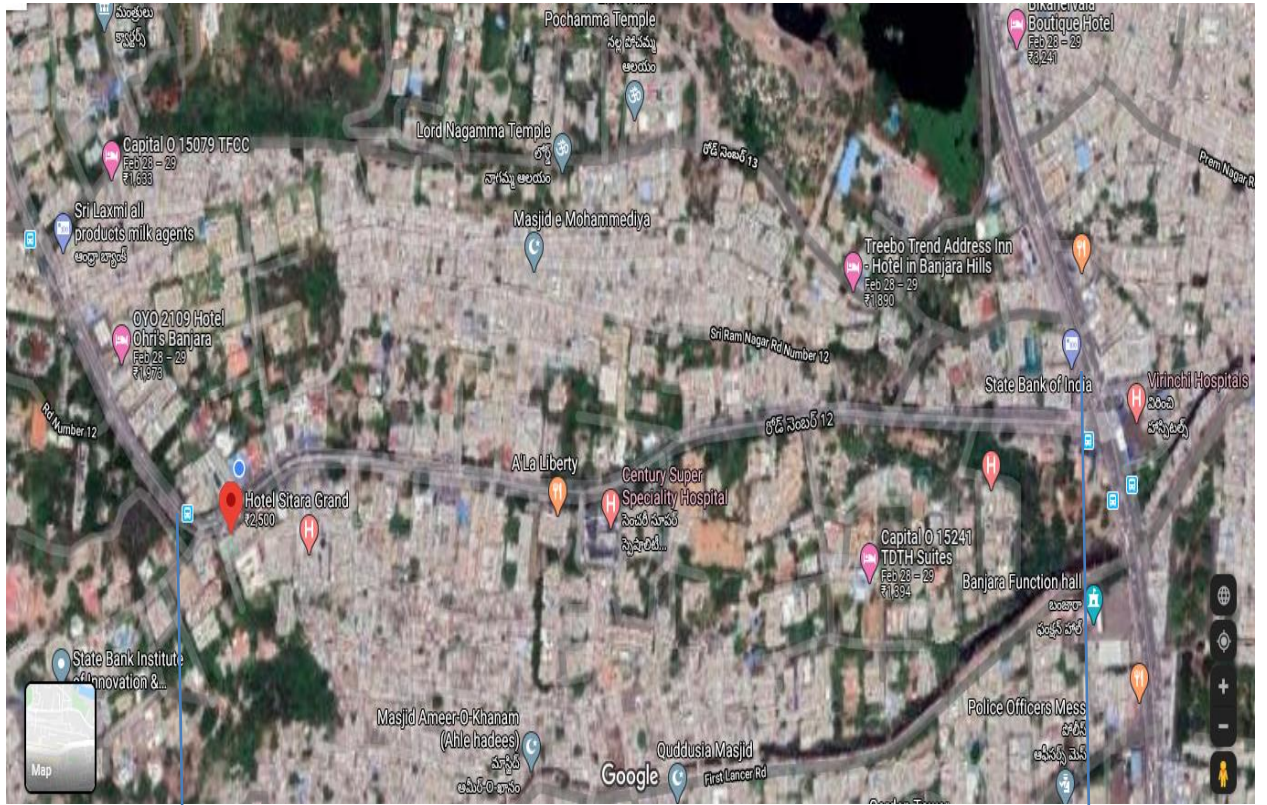
Name and Address of the Unsecured Creditor/Proxy holder/ Authorized Representative	
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I/We hereby record my presence at the meeting of the Unsecured Creditors of the Company convened pursuant to the order of the Hon'ble National Company Law Tribunal, Bengaluru Bench, to be held on 22nd April 2021 at **12 noon** at Hotel Sitara Grand, Road Number 12, Beside SBI, Banjara Hills, Hyderabad, Telangana – 500034

Signature of the Unsecured Creditor/Proxy holder /Authorized Representative

NOTE: Unsecured Creditor/Proxy holder/Authorized Representative wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance of the venue duly filled and signed.

LOCATION MAP OF VENUE



Hotel Sitara Grand

Banjara Hills Road no.12, Signals