
SCHEME OF ARRANGEMENT

BETWEEN

BRIGADE ENTERPRISES LIMITED
("the Transferor Company")

AND

BRIGADE HOTEL VENTURES LIMITED
("the Transferee Company 1")

AND

BRIGADE HOSPITALITY SERVICES LIMITED
("the Transferee Company 2")

AND

AUGUSTA CLUB PRIVATE LIMITED
("the Transferee Company 3")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
Under section 230 to 233 of the Companies Act, 2013

For Brigade Enterprises Limited

Company Secretary



This Scheme of Arrangement is presented pursuant to Sections 230 to 233 and other applicable provisions of the Companies Act, 2013 for transfer of the hotels, clubs and convention centres business undertakings of Brigade Enterprises Limited into Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited.

THE SCHEME

The Scheme is divided into the following parts:

- i) **PART I** – Dealing with the introduction and objective of the Scheme.
- ii) **PART II** – Dealing with definitions and share capitals.
- iii) **PART III** – Scheme of Arrangement of Brigade Enterprises Limited and Brigade Hotel Ventures Limited.
- iv) **PART IV** – Scheme of Arrangement of Brigade Enterprises Limited and Brigade Hospitality Services Limited.
- v) **PART V** – Scheme of Arrangement of Brigade Enterprises Limited and Augusta Club Private Limited.
- vi) **PART VI**- Dealing with the Remaining Business of the Transferor Company
- vii) **PART VII** - Dealing with general terms and conditions.

PART I

Dealing with the Introduction and Objective of the Scheme

INTRODUCTION

Transferee Company

(i) BRIGADE HOTEL VENTURES LIMITED

BRIGADE HOTEL VENTURES LIMITED (“**Transferee Company 1**”) is a company incorporated under the Companies Act, 2013 having its registered office at 29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram- Rajajinagar, Bangalore - 560055 was incorporated on 24th August, 2016 (CIN U74999KA2016PLC095986). The Transferee Company 1 is the wholly owned subsidiary of the Transferor Company.

BRIGADE HOTEL VENTURES LIMITED is engaged, *inter-alia*, in the business of:

To establish and carry on in India or elsewhere the business to establish, construct, erect, build, own, purchase, acquire, undertake, promote, run, manage, own, lease, convert, commercialise, handle, operate, renovate, maintain, improve, exchange, furnish, recondition, hire, let on hire, develop, consolidate, subdivide, and organize, hotels, restaurants, cafes, taverns, rest houses, motels, snack bars, lodging, house

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keepers, clubs, resorts, country homes, concept parks, recreation and entertainment centres, service apartments, senior citizens homes, retirement homes, assisted living centre, concept show rooms, concept houses, boutiques, fashion centres, art and craft show rooms, art galleries exhibitions, licensed victualler, discotheque, banquet halls, dressing rooms, laundries, hairdresser shops, grocers, green grocers, retail & convenience stores, health spas, health clubs, holistic centres, beauty saloons, sauna, and steam bath, swimming pools, libraries, writing and news paper rooms, places of amusement, sports, gymnasiums, golf courses including golf clubs, entertainment, opera box offices, cinema multiplexes, nursing homes, old age homes, health centres, hospitals, yoga centres, massage house, immunisation centres, therapeutic houses, clinics, maternity family planning unit, diagnostic centres, chemist shop and natural cure centres

(ii) **BRIGADE HOSPITALITY SERVICES LIMITED**

BRIGADE HOSPITALITY SERVICES LIMITED (“**Transferee Company 2**”) is a company incorporated under the Companies Act, 1956 having its registered office at 29th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram- Rajajinagar, Bangalore - 560055 was incorporated on 1st June, 2004(CIN. U55101KA2004PLC034060). The Transferee Company 2 is the wholly owned subsidiary of the Transferor Company.

BRIGADE HOSPITALITY SERVICES LIMITED is engaged, *inter-alia*, in the business of:

To establish and carry on in India or elsewhere the business to establish, construct, erect, build, own, purchase, acquire, undertake, promote, run, manage, own, lease, convert, commercialise, handle, operate, renovate, maintain, improve, exchange, furnish, recondition, hire, let on hire, develop, consolidate, subdivide, and organize, hotels, restaurants, cafes, taverns, rest houses, motels, snack bars, lodging house keepers, clubs, resorts, country homes, concept parks, recreation and entertainment centres, service apartments, senior citizens homes, retirement homes, assisted living centre, concept show rooms, concept houses, boutiques, fashion centres, art and craft show rooms, art galleries exhibitions, licensed victuallere, discotheque, banquet halls, dressing rooms, laundries, hairdresser shops, grocers, green grocers, stores, health spas, health clubs, holistic centres, beauty salons, sauna, and steam bath, swimming pools, libraries, writing and newspaper rooms, places of amusement, sports, gymnasiums, golf courses including golf clubs, entertainment, opera box offices, cinema multiplexes, nursing homes, old age homes, health centres, hospitals, yoga centres, massage house, immunisation centres, therapeutic houses, clinics, maternity family planning unit, diagnostic centres, chemist shop, blood banks, eye banks kidney banks, poly clinic, natural cure centres.

(iii) **AUGUSTA CLUB PRIVATE LIMITED**

AUGUSTA CLUB PRIVATE LIMITED (“**Transferee Company 3**”) is a company incorporated under the Companies Act, 2013 having its registered office at 29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram- Rajajinagar, Bangalore - 560055 was incorporated on 1st September, 2016 (CIN U74999KA2016PTC096214). The Transferee Company 3 is the wholly

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owned subsidiary of the Transferor Company.

AUGUSTA CLUB PRIVATE LIMITED is engaged, *inter-alia*, in the business of:

To establish and carry on in India or elsewhere the business to establish, construct, erect, build, own, purchase, acquire, undertake, promote, run, manage, own, lease, convert, commercialise, handle, operate, renovate, maintain, improve, exchange, furnish, recondition, hire, let on hire, develop, consolidate, subdivide, and organize, hotels, restaurants, cafes, taverns, rest houses, motels, snack bars, lodging, house keepers, clubs, resorts, country homes, concept parks, recreation and entertainment centres, service apartments, senior citizens homes, retirement homes, assisted living centre, concept show rooms, concept houses, boutiques, fashion centres, art and craft show rooms, art galleries exhibitions, licensed victualler, discotheque, banquet halls, dressing rooms, laundries, hairdresser shops, grocers, green grocers, retail & convenience stores, health spas, health clubs, holistic centres, beauty saloons, sauna, and steam bath, swimming pools, libraries, writing and newspaper rooms, places of amusement, sports, gymnasiums, golf courses including golf clubs, entertainment, opera box offices, cinema multiplexes, nursing homes, old age homes, health centres, hospitals, yoga centres, massage house, immunisation centres, therapeutic houses, clinics, maternity family planning unit, diagnostic centres, chemist shop and natural cure centres.

Transferor Company

Brigade Enterprises Limited

Brigade Enterprises Limited ("Transferor Company") is a company incorporated under the Companies Act, 1956 having its registered office at 29th and 30th floor, World Trade Center, 26/1, Brigade Gateway, Dr. Rajkumar Road, Malleswaram-Rajajinagar Bangalore-560055, Karnataka. Brigade Enterprises Limited was incorporated on November 8th, 1995 (CIN No. L85110KA1995PLC019126). The shares of Brigade Enterprises Limited is listed on the BSE Limited and on the National Stock Exchange of India Limited.

Brigade Enterprises Limited is engaged, *inter-alia*, in:

- (a) To carry on, in all their respective branches all or any of the business as property developers, real estate promoters, builders, masonry and general construction contractors and among other things to constitute, execute, carryout, equip, improve work and advertise houses, buildings, industrial sheds, commercial complexes and erection of every kind, or any building or construction materials
- (b) To carry on the business of manufacture, process, buying, selling, trading, importing or exporting of coffee, tea, spices, or any other agricultural or plantation products or by-products or software, cotton, wool, silk, synthetic, polyester, leather, granites or any other.
- (c) To carry on the business of an investment company in all its branches and kinds and particularly to invest in, acquire, hold, sell, underwrite and otherwise deal in shares, stocks, debentures, debenture stocks, bonds, mortgages, obligations and securities of any kind issued or guaranteed by any Company or body corporate or other persons whosoever, and to finance private industrial enterprises and to undertake and carry one

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the business of leasing, sub-leasing and hire purchase financing in all their branches and kinds.

- (d) To general, harness, develop and accumulate electric power by setting up Mini Hydel Plants and all other types of power-plants like Hydro-Power, Thermal-Power, Diesel-Power, Multi Fuel Based Power, Micro-Hydel Power, and also to generate electric power by generating wind, solar, tidal and other sources of energy for captive consumption and also supply and distribution either directly or through State Electricity Boards or others to consumers of electricity on commercial basis and to establish, construct and maintain necessary power stations and to generally accumulate, distribute and supply electricity.

OBJECTIVES OF THE SCHEME

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

- i. The Board of Directors of the Transferor Company recognize that the following business undertakings have their own independent identity and have future growth potential:
 - a) Hotels ("Hotels");
 - b) MLR Convention Centre – J.P. Nagar, MLR Convention Centre – Whitefield, Woodrose Club, J.P.Nagar and Galaxy Club, Malleshwaram-Rajajinagar ("Integrated Clubs and Convention Centers");
 - c) Augusta Club.

Further, the capital and cash flow requirements and human resource requirements of each of these business undertakings are different from that of the remaining real estate business and require a more focused approach for further growth to unlock the intrinsic value.

- ii. This arrangement will help provide focused leadership and management attention to each of these business undertakings.
- iii. With the experience the Transferor Company has gained over the years in real estate business and property development, the Transferor Company will be able to focus on the Remaining Business i.e. property development and real estate business and use specialist resources it has in this area, to grow the business and enhance the shareholder returns on a year on year basis.
- iv. Overall, the Scheme of Arrangement is intended to restructure within the group of companies controlled by the Transferor Company to segregate the (i) Hotels, (ii) Integrated Clubs and Convention Centres and (iii) Augusta club business undertakings to enable better and more efficient management, control and running of its various businesses in a focused manner and offering opportunities to the management of the companies to vigorously pursue growth and expansion of the respective divisions.

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PART – II

Dealing with Definitions and Share Capitals

1. DEFINITIONS

- 1.1 “**Act**” means the Companies Act, 2013 and shall include any statutory modifications, re-enactment or amendment, thereof.
- 1.2 “**Appointed Date**” means October 1, 2016 or such other date as may be approved by the Authority.
- 1.3 “**Authority**” shall mean the National Company Law Tribunal or such other authority having jurisdiction under the Act to sanction the Scheme;
- 1.4 “**Companies**” collectively means the Transferor Company, the Transferee Company 1, the Transferee Company 2 and the Transferee Company 3.
- 1.5 “**Effective Date**” means the date on which the order/s sanctioning the Scheme passed by the Authority under Sections 230 to 233 of the Act, are filed with the Registrar of Companies, Karnataka.
- 1.6 “**Record date**” means the date to be fixed by the Board of Directors of the respective Transferee Companies for purpose of issue of Transferee Company 1 OCRPS, Transferee Company 2 OCRPS, Transferee Company 3 OCRPS of the Transferee Company 1, Transferee Company 2, Transferee Company 3 as per this Scheme.
- 1.7 “**Remaining Undertaking**” or “**Remaining Business**” means all the assets, liabilities, activities of the Transferor Company other than the assets and liabilities of the Transferred Undertaking 1, the Transferred Undertaking 2 and the Transferred Undertaking 3 as mentioned above in Clauses 1.5, 1.6 and 1.7.
- 1.8 “**Transferor Company**” means Brigade Enterprises Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office situated at 29th and 30th floor, World Trade Center, 26/1, Brigade Gateway, Dr. Rajkumar Road, Malleswaram-Rajajinagar Bangalore-560055, Karnataka.
- 1.9 “**Transferred Undertaking 1**” means the Hotels Business Undertaking of the Transferor Company which are operational or under construction as on the Appointed Date and which is being transferred to the Transferee Company 1, as laid out in Part A of Schedule I of the Scheme.
- 1.10 “**Transferred Undertaking 2**” means the Integrated Clubs and Convention Centres Business Undertaking of the Transferor Company which is being transferred to the

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Transferee Company 2 as laid out in Part B of Schedule I of the Scheme other than the club being transferred to Transferred Undertaking 3.

- 1.11 **“Transferred Undertaking 3”** means ‘Augusta Club’ Business Undertaking of the Transferor Company which is being transferred to the Transferee Company 3 as laid out in Part C of Schedule I of the Scheme.
- 1.12 **“Transferred Undertakings”** collectively means the Transferred Undertaking 1, the Transferred Undertaking 2 and the Transferred Undertaking 3 and shall include (without limitation):
- (a) All assets wherever situated, whether movable or immovable, leasehold or freehold, tangible or intangible, including all plant and machinery, land and buildings, offices, roads and culverts, tube well installations, plant and machinery, generators, equipments, capital work-in-progress, vehicles, furniture, fixtures, office equipment, computer installations, electrical appliances, accessories, investments, including stocks, receivables, goodwill, industrial/commercial/food and other licenses and rights, software products, design, developments, tools, operating systems, trademarks and other intellectual property rights, leases and tenancy rights, other interests, rights or powers of every kind, nature and description whatsoever pertaining to or relatable to the respective Transferred Undertakings;
 - (b) All liabilities present and future and the specific contingent liabilities pertaining to or relatable to the respective Transferred Undertakings;
 - (c) All rights and licenses, all assignments and grants thereof, all permits, approvals, registrations, notifications, quota rights, import quotas, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits, incentives or schemes of Central /State Governments, quality certifications and approvals (both Indian and foreign), product registrations (both Indian and foreign), trade registrations, regulatory approvals, entitlements, industrial and other licenses, the registrations /benefits under various schemes and such other schemes, registrations/approvals/licenses from associations, societies, Central Government, any State Government, any local authority, tourism development organisation, Customs, Central Excise, Income Tax, Service Tax, Sales Tax, Value Added Tax, Reserve Bank of India, municipal permissions, goodwill, approvals, consents, tenancies, if any, in relation to the project and/or residential properties for the employees, investments and/or interest (whether vested, contingent or otherwise) in projects undertaken by the respective Transferred Undertakings, either solely or jointly with other parties, cash balances, bank balances, bank accounts, deposits, advances, recoverable, receivables, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by the Transferor Company in relation to the respective Transferred Undertakings, privileges, all other claims, rights and benefits (including under any powers of attorney issued by the Transferor Company in relation to the respective Transferred Undertakings or any powers of attorney issued in favour of the Transferor Company or from or by virtue of any proceeding before a legal, quasi-judicial authority or any other statutory authority to which the Transferor Company was party), powers and

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facilities of every kind, nature and description whatsoever, right to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests, in connection with or relating to the respective Transferred Undertakings;

- (d) All employees of the Transferor Company substantially engaged in the Transferred Undertakings and those employees that are determined by the Board of Directors of the Transferor Company to be substantially engaged in or in relation to the business of the respective Transferred Undertakings;
- (e) All deposits and balances with Government, semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/or security deposits paid or received by the Transferor Company, directly or indirectly in connection with or in relation to the business of the Transferred Undertakings;
- (f) All books, records, files, papers, product specifications and process information records, standard operating procedures, computer programmes along with their licenses, manuals and back-up copies, drawings, other manuals, data catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form, directly or indirectly in connection with or relating to the business of the Transferred Undertakings;
- (g) All trademarks, trade names, patents and domain names, copyrights, industrial designs, building plan approvals, NOCs, sanctions and licenses, trade secrets, product registrations and other intellectual property and all other interests exclusively relating to the goods or services being dealt with by the business of the Transferred Undertakings but shall not include any assets or liabilities relating to the remaining business of the Transferor Company.

Provided however that any question that may arise as to whether a specified asset or liability or employee pertains or does not pertain to the Transferred Undertakings or whether it arises out of the activities or operations of the Transferred Undertakings shall be decided by the Transferor Company, whose decision will be final and binding on the Transferee Companies.

- 1.13 **“Transferee Company 1”** means Brigade Hotel Ventures Limited is a company incorporated under the Companies Act, 2013 having its registered office at 29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram- Rajajinagar, Bangalore - 560055[was incorporated on 24th August, 2016 (CIN U74999KA2016PLC095986).
- 1.14 **“Transferee Company 1 OCRPS”** means Optionally Convertible Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each convertible in to Equity shares of the Transferee Company 1 at a conversion price as may be mutually agreed between the Transferor Company and the Transferee Company 1 as on the record date.

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- 1.15 **“Transferee Company 2”** means Brigade Hospitality Services Limited is a company incorporated under the Companies Act, 1956 having its registered office at 29th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram- Rajajinagar, Bangalore - 560055 was incorporated on 1st June, 2014 (CIN. U55101KA2004PLC034060).
- 1.16 **“Transferee Company 2 OCRPS”** means Optionally Convertible Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each convertible in to Equity shares of the Transferee Company 2 at a conversion price as may be mutually agreed between the Transferor Company and the Transferee Company 2 as on the record date.
- 1.17 **“Transferee Company 3”** means Augusta Club Private Limited is a company incorporated under the Companies Act, 2013 having its registered office at 29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1 Dr. Rajkumar Road, Malleswaram- Rajajinagar, Bangalore - 560055 was incorporated on 1st September, 2016 (CIN U74999KA2016PTC096214).
- 1.18 **“Transferee Company 3 OCRPS”** means Optionally Convertible Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each convertible in to Equity shares of the Transferee Company 3 at a conversion price as may be mutually agreed between the Transferor Company and the Transferee Company 3 as on the record date.
- 1.19 **“Transferee Companies”** collectively mean the Transferee Company 1, the Transferee Company 2 and the Transferee Company 3.
- 1.20 **“Scheme”** means the scheme of arrangement as set out herein in its present form, or with any modification(s) approved or imposed or directed by the Authority.

2. **OPERATIVE DATE**

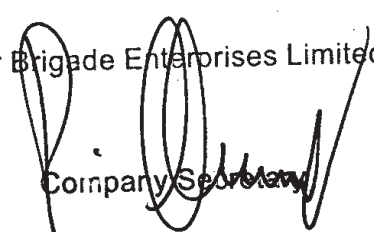
The Scheme set out herein in its present form with any modification(s) approved or imposed or directed by the Authority shall be operative from the Effective Date but shall be deemed to be effective from the Appointed Date.

3. **BACKGROUND**

- 3.1 The share capital of Brigade Hotel Ventures Limited (Transferee Company 1) as of September 30th 2016 is as follows:

Particulars	Amount in Rupees
Authorised share capital divided into 10,00,000 equity shares of Rs. 10/- each	1,00,00,000
Issued, subscribed and paid up equity share capital of 10,00,000 equity shares of Rs. 10/- each.	1,00,00,000

Post September 30, 2016 there has been no change in the issued, subscribed and paid-up share capital of the Transferee Company 1.

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- 3.2 The share capital of Brigade Hospitality Services Limited (Transferee Company 2) as of September 30th 2016 is as follows:

Particulars	Amount in Rupees
Authorised share capital is divided into 1,50,00,000 equity shares of Rs.10/- each	15,00,00,000
Issued, subscribed and paid up equity share capital of 1,00,00,000 equity shares of Rs. 10/- each.	10,00,00,000

Post September 30, 2016 there has been no change in the issued, subscribed and paid-up share capital of the Transferee Company 2.

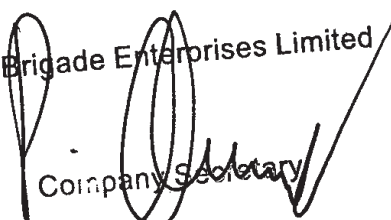
- 3.3 The share capital of Augusta Club Private Limited (Transferee Company 3) as of September 30th 2016 is as follows:

Particulars	Amount in Rupees
Authorised share capital is divided into 1,00,000 equity shares of Rs .10/- each	10,00,000
Issued, subscribed and paid up equity share capital of 50,000 equity shares of Rs.10/- each.	5,00,000

Post September 30, 2016 there has been no change in the issued, subscribed and paid-up share capital of the Transferee Company 3.

- 3.4 The share capital of the Brigade Enterprises Limited (Transferor Company) as of September 30th, 2016 is as follows:

Particulars	Amount in Rupees
Authorised share capital of Rs.150,00,00,000 divided into 15,00,00,000 equity shares of Rs.10/- each	Rs.150,00,00,000
Issued, subscribed and paid up share capital of 11,32,17,665 equity shares of Rs.10/- each, fully paid up	Rs. 113,21,76,650

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Post October 1, 2016 there has been a change in the issued, subscribed and paid-up share capital of the Transferor Company due to issue of 418325 ESOP shares on 14th November, 2016. The details of share capital as on November 30th, 2016 is as follows:

Particulars	Amount in Rupees
Authorised share capital of Rs.150,00,00,000 divided into 15,00,00,000 equity shares of Rs.10/- each	Rs.150,00,00,000
Issued, subscribed and paid up share capital of 11,36,35,990 equity shares of Rs.10/- each, fully paid up	Rs. 113,63,59,900

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PART – III

Scheme of arrangement of Brigade Enterprises Limited and Brigade Hotel Ventures Limited:

4. The transfer of the Transferred Undertaking 1 of Brigade Enterprises Limited (Transferor Company) into Brigade Hotel Ventures Limited (Transferee Company 1) under this Scheme of Arrangement will be effected under the provisions of Section 230 to 233 of the Act. This Scheme has been drawn up such that:
 - 4.1 All the properties of the Transferred Undertaking 1 being transferred by the Transferor Company immediately before the transfer, becomes the properties of the Transferee Company;
 - 4.2 All the liabilities relatable to the Transferred Undertaking 1 being transferred by the Transferor Company, immediately before the transfer, becomes the liabilities of the Transferee Company by virtue of the transfer;
 - 4.3 The properties and the liabilities, if any, relatable to the Transferred Undertaking 1 being transferred by the Transferor Company are transferred to Transferee Company 1 at values appearing in the books of the Transferor Company on the Appointed Date;
 - 4.4 The Transferee Company 1 shall issue, in consideration of the transfer, either Transferee Company 1 OCRPS or cash or a combination of both to the Transferor Company as on the Record Date;
 - 4.5 The transfer of the Transferred Undertaking 1 to the Transferee Company 1 will be on a going concern basis.
5. **TRANSFER OF ASSETS**
 - 5.1 With effect from the Appointed Date, the entire business and undertaking comprising of the business activities together with all the assets of the Transferred Undertaking 1 comprising amongst others, all plant and machinery, land and building, offices, roads, culverts, tube well installations, capital work-in-progress, vehicles, investments, stocks, receivables, goodwill, furniture and fixtures, utensils, computers, equipments, apparatus, servers and networking equipment, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, trademarks, patents, permits, authorizations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Transferee Company 1 on a going concern basis, so as to become the properties of Transferee Company.
 - 5.2 All assets and properties of the Transferred Undertaking 1 which are moveable in nature, including investments, or are otherwise capable of transfer by physical delivery or by endorsement and delivery, shall be so transferred by the Transferor Company,

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without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company 1.

- 5.3 It is hereby clarified that if any assets (including but not limited to any estate, rights, title, interest in or authorities relating to such assets) in relation to the Transferred Undertaking 1 which the Transferor Company owns, cannot be transferred to the Transferee Company 1 for any reason whatsoever, the Transferor Company shall hold such asset in trust for the benefit of the Transferee Company 1. Notwithstanding the foregoing, it is hereby clarified that it is the intention of the Transferor Company and the Transferee Company 1 to transfer all assets and liabilities in relation to the Transferred Undertaking 1 as a "going concern" and that the provision of this clause 5.3 are interim in nature and are not intended to alter the nature of the transaction, as contemplated under this scheme.

6. TRANSFER OF LIABILITIES

- 6.1 With effect from the Appointed Date, all the debts, liabilities, contingent liabilities, duties and obligations and any accretions and additions or reductions thereto of the Transferred Undertaking 1 shall deemed to be transferred to and vested in the Transferee Company 1 so as to become the liabilities of the Transferee Company 1.

7. TRANSFER OF THE TRANSFERRED UNDERTAKING 1 ON A GOING CONCERN BASIS

- 7.1 With effect from the Appointed Date, the Transferred Undertaking 1 of the Transferor Company would be transferred on a going concern basis to the Transferee Company 1.
- 7.2 In the event of any discrepancy on which of the assets, contracts and employees belong to the Transferred Undertaking 1, the Board of Directors of the Transferor Company shall decide on the same and whose decision will be final and binding on the Transferor Company and the Transferee Company 1.

8. APPOINTED DATE

- 8.1 The transfer of property and liabilities and the continuance of proceedings by the Transferor Company under clauses 4, 5 and 6 above shall not affect any transaction or proceedings already concluded by Transferor Company on or after the Appointed Date till the Effective Date to the end and intent that Transferee Company 1 accepts and adopts all acts, deeds and things done and executed by Transferor Company in regard thereto as done and executed by Transferee Company 1 on behalf of itself. Furthermore, as from the Appointed Date, Transferor Company shall be deemed to have carried on and to be carrying on its business on behalf of and in trust for Transferee Company 1 until such time as the Scheme takes effect.
- 8.2 It is clarified that all debts, liabilities, contingent liabilities, duties and obligations of the Transferred Undertaking 1, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or up to the day of the Appointed Date, shall be the debts, liabilities, duties and obligations of

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Transferee Company 1 including any encumbrance on the assets of Transferor Company or on any income earned from those assets.

9. TRANSFER OF EMPLOYEES

9.1 Upon the coming into effect of this Scheme, all employees substantially engaged with the Transferred Undertaking 1 and any other employees decided by the Board of Directors of the Transferor Company as on such date shall become the employees of the Transferee Company 1, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company, without any interruption of service as a result of the transfer of the Transferred Undertaking 1 from the Transferor Company into the Transferee Company 1.

9.2 Upon the Scheme coming into effect, the accounts of the employees, who are employed by Transferor Company, relating to Provident Fund, Gratuity Fund and Pension and/or Superannuation Fund and any other Fund, shall be identified, determined and transferred to the respective funds of Transferee Company 1 and the employees shall be deemed to have become members of such trusts/funds of Transferee Company 1.

10. LEGAL PROCEEDINGS

10.1 All legal proceedings of whatsoever nature by or against in regard to the Transferred Undertaking 1 pending and/or arising at the Appointed Date or its properties, assets, debts, liabilities, duties and obligations referred to in clause 4, 5 and 6 shall be continued and/or enforced until the Effective Date as desired by the Transferee Company 1 and as and from the Effective Date shall be continued and enforced by or against Transferee Company 1 in the manner and to the same extent as would or might have been continued and enforced by or against the Transferred Undertaking 1.

11. CONTRACTS, DEEDS, ETC.

11.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature, relating to which the Transferred Undertaking 1 of the Transferor Company is a party and is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of Transferee Company 1, as the case may be, and may be enforced by or against Transferee Company 1 as fully and eventually as if, instead of the Transferor Company, the Transferee Company 1 had been a party thereto. The Transferee Company 1 shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, Transferee Company 1 shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of Transferor Company

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and to implement or carry out all formalities required on the part of the Transferred Undertaking 1 of Transferor Company to give effect to the provisions of this Scheme.

12. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

12.1 With effect from the Appointed Date and up to the Effective Date.

- (i) The Transferor Company shall carry on and be deemed to have carried on the business and activities in relation to the Transferred Undertaking 1 and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the Transferred Undertaking 1 for and on account of and in trust for the Transferee Company 1.
- (ii) All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company in relation to the Transferred Undertaking 1 shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company 1; and
- (iii) The Transferor Company shall carry on its business and activities with reasonable diligence and business prudence.

12.2 The Transferee Company 1 shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Transferee Company 1 may require to carry on the business of the Transferred Undertaking 1.

13. CONSIDERATION

13.1 Upon coming into effect of this Scheme and upon vesting and transfer of the Transferred Undertaking 1 of the Transferor Company into the Transferee Company 1 and as consideration for the Transfer of the Transferred Undertaking 1, the Transferee Company 1 will discharge a total all-inclusive lump-sum consideration of Rs.280,43,00,000 (Rupees Two Hundred and Eighty Crore Forty Three lakhs) either-

- a) by issue and allotment of Transferee Company 1 OCRPS of Rs 100/- (Rupees One Hundred) each at par to the Transferor Company; or
- b) By payment of cash or cash equivalent consideration within a defined period as may be agreed between the Transferor Company and Transferee Company 1; or
- c) By a combination of (a) and (b) above.

13.2 The issue and allotment of Transferee Company 1 OCRPS in the Transferee Company 1 to the Transferor Company as provided in the Scheme, shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Companies Act, 2013 (Section 81(1A) of the Companies Act, 1956 to the extent applicable) and any other applicable provisions of the Act or any amendments thereto were duly complied with.

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14. ACCOUNTING TREATMENT

14.1 In the books of the Transferor Company:

Upon the coming into effect of the Scheme, with effect from the Appointed Date, the accounts representing the assets and liabilities of the Transferred Undertaking 1, as laid out in Part A of Schedule I shall stand closed on transfer to the Transferee Company 1, including the corporate loans, term loans, advances and borrowings relatable or pertaining to the Transferred Undertaking 1 which will be transferred in entirety to the Transferee Company 1 in accordance with the provisions of this Scheme. The Transferor Company will reduce in its books of accounts, the book value of assets and liabilities pertaining to the Transferred Undertaking 1 transferred to the Transferee Company 1.

- a) The assets and the liabilities of the Transferred Undertaking 1 being transferred to the Transferee Company 1 shall be at values appearing in books of account of Transferor Company on the Appointed date.
- b) The difference between the amount of consideration stated hereinabove and the net book value of assets and liabilities pertaining to Transferred Undertaking 1 shall be appropriated and adjusted against the reserves and surplus of the Transferor Company.

14.2 In the books of the Transferee Company 1:

- a) The assets and liabilities transferred from Transferor Company to Transferee Company 1 will be recorded in the books of the Transferee Company 1 at the carrying amounts reflected in the books of the Transferor Company as on the Appointed Date.
- b) The difference between the amount of consideration stated hereinabove and the net book value of assets and liabilities pertaining to the Transferred Undertaking 1 shall be appropriated and adjusted against the reserves and surplus of the Transferee Company 1.
- c) It is hereby clarified that all transactions during the period between the Appointed Date and Effective Date relating to the Transferred Undertaking 1 would be duly reflected in the financial statements of the Transferee Company 1 at their respective transaction value upon this Scheme coming into effect, as may be decided by the Board of Directors of the Transferee Company 1.

15. TAX

15.1 Upon the Scheme becoming effective, the Transferee Company 1 and/or Transferor Company may revise, if it becomes necessary, its income tax returns, sales tax returns, excise and cenvat returns, service tax returns, other tax and regulatory returns and to restore input credit of service tax adjusted earlier or claim refunds/ credits pursuant to the provisions of this Scheme.

15.2 All taxes (including income tax, sales tax, excise duty, customs duty, service tax, Value Added Tax (VAT), octroy duty, etc) paid or payable by the Transferor Company, in respect of the operations and/ or the profits of the Transferred Undertaking 1 before the Appointed Date, shall be on account of the Transferor Company, and insofar as it

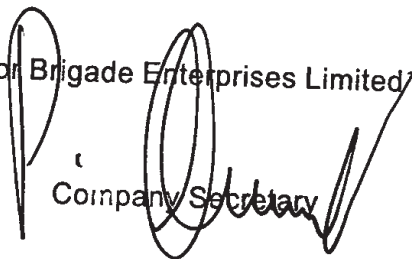
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related to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, octroi duty, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferred Undertaking 1 after the Appointed Date, the same shall be deemed to be the paid by the Transferee Company 1, and shall, in all proceedings, be dealt with accordingly.

- 15.3 Without prejudice to the generality of the foregoing on and from the Appointed Date, if any certificate for tax deducted at source or any other tax credit certificate relating to the Transferred Undertaking 1 is received in the name of the Transferor Company, it shall be deemed to have been received by the Transferee Company 1 which alone shall be entitled to claim credit for such tax deducted or paid.
- 15.4 Upon the Scheme becoming effective, Transferee Company 1 is expressly permitted to claim refunds/credits on account of service tax in accordance with the Service Tax Rules, pertaining to the Transferred Undertaking 1.

For Brigade Enterprises Limited
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PART – IV

Scheme of arrangement of Brigade Enterprises Limited and Brigade Hospitality Services Limited:

16. The transfer of the Transferred Undertaking 2 of Brigade Enterprises Limited (Transferor Company) into Brigade Hospitality Services Limited (Transferee Company 2) under this Scheme of Arrangement will be effected under the provisions of Section 230 to 233 of the Act. This Scheme has been drawn up such that:
- 16.1 All the properties of the Transferred Undertaking 2 being transferred by the Transferor Company immediately before the transfer, becomes the properties of the Transferee Company;
- 16.2 All the liabilities relatable to the Transferred Undertaking 2 being transferred by the Transferor Company, immediately before the transfer, becomes the liabilities of the Transferee Company by virtue of the transfer;
- 16.3 The properties and the liabilities, if any, relatable to the Transferred Undertaking 2 being transferred by the Transferor Company are transferred to Transferee Company 2 at values appearing in the books of the Transferor Company on the Appointed Date;
- 16.4 The Transferee Company 2 shall issue, in consideration of the transfer, either Transferee Company 2 OCRPS or cash or a combination of both to the Transferor Company as on the Record Date;
- 16.5 The transfer of the Transferred Undertaking 2 to the Transferee Company 2 will be on a going concern basis.
17. **TRANSFER OF ASSETS**
- 17.1 With effect from the Appointed Date, the entire business and undertaking comprising of the business activities together with all the assets of the Transferred Undertaking 2 comprising amongst others, all plant and machinery, land and building, offices, roads, culverts, tube well installations, capital work-in-progress, vehicles, investments, stocks, receivables, goodwill, furniture and fixtures, utensils, computers, equipments, apparatus, servers and networking equipment, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, trademarks, patents, permits, authorizations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Transferee Company 2 on a going concern basis, so as to become the properties of Transferee Company.
- 17.2 All assets and properties of the Transferred Undertaking 2 which are moveable in nature, including investments, or are otherwise capable of transfer by physical delivery or by endorsement and delivery, shall be so transferred by the Transferor Company,

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without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company 2.

- 17.3 It is hereby clarified that if any assets (including but not limited to any estate, rights, title, interest in or authorities relating to such assets) in relation to the Transferred Undertaking 2 which the Transferor Company owns, cannot be transferred to the Transferee Company 2 for any reason whatsoever, the Transferor Company shall hold such asset in trust for the benefit of the Transferee Company 2. Notwithstanding the foregoing, it is hereby clarified that it is the intention of the Transferor Company and the Transferee Company 2 to transfer all assets and liabilities in relation to the Transferred Undertaking 2 as a "going concern" and that the provision of this clause 17.3 are interim in nature and are not intended to alter the nature of the transaction, as contemplated under this scheme.

18. TRANSFER OF LIABILITIES

- 18.1 With effect from the Appointed Date, all the debts, liabilities, contingent liabilities, duties and obligations and any accretions and additions or reductions thereto of the Transferred Undertaking 2 shall deemed to be transferred to and vested in the Transferee Company 2 so as to become the liabilities of the Transferee Company 2.

19. TRANSFER OF THE TRANSFERRED UNDERTAKING 2 ON A GOING CONCERN BASIS

- 19.1 With effect from the Appointed Date, the Transferred Undertaking 2 of the Transferor Company would be transferred on a going concern basis to the Transferee Company 2.
- 19.2 In the event of any discrepancy on which of the assets, contracts and employees belong to the Transferred Undertaking 2, the Board of Directors of the Transferor Company shall decide on the same and whose decision will be final and binding on the Transferor Company and the Transferee Company 2.

20. APPOINTED DATE

- 20.1 The transfer of property and liabilities and the continuance of proceedings by the Transferor Company under clauses 16, 17 and 18 above shall not affect any transaction or proceedings already concluded by Transferor Company on or after the Appointed Date till the Effective Date to the end and intent that Transferee Company 2 accepts and adopts all acts, deeds and things done and executed by Transferor Company in regard thereto as done and executed by Transferee Company 2 on behalf of itself. Furthermore, as from the Appointed Date, Transferor Company shall be deemed to have carried on and to be carrying on its business on behalf of and in trust for Transferee Company 2 until such time as the Scheme takes effect.
- 20.2 It is clarified that all debts, liabilities, contingent liabilities, duties and obligations of the Transferred Undertaking 2, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or up to the day of the Appointed Date, shall be the debts, liabilities, duties and obligations of

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Transferee Company 2 including any encumbrance on the assets of Transferor Company or on any income earned from those assets.

21. TRANSFER OF EMPLOYEES

21.1 Upon the coming into effect of this Scheme, all employees substantially engaged with the Transferred Undertaking 2 and any other employees decided by the Board of Directors of the Transferor Company as on such date shall become the employees of the Transferee Company 2, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company, without any interruption of service as a result of the transfer of the Transferred Undertaking 2 from the Transferor Company into the Transferee Company 2.

21.2 Upon the Scheme coming into effect, the accounts of the employees, who are employed by Transferor Company, relating to Provident Fund, Gratuity Fund and Pension and/or Superannuation Fund and any other Fund, shall be identified, determined and transferred to the respective funds of Transferee Company 2 and the employees shall be deemed to have become members of such trusts/funds of Transferee Company 2.

22. LEGAL PROCEEDINGS

22.1 All legal proceedings of whatsoever nature by or against in regard to the Transferred Undertaking 2 pending and/or arising at the Appointed Date or its properties, assets, debts, liabilities, duties and obligations referred to in clauses 16, 17 and 18 shall be continued and/or enforced until the Effective Date as desired by the Transferee Company 2 and as and from the Effective Date shall be continued and enforced by or against Transferee Company 2 in the manner and to the same extent as would or might have been continued and enforced by or against the Transferred Undertaking 2.

23. CONTRACTS, DEEDS, ETC.

23.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature, relating to which the Transferred Undertaking 2 of the Transferor Company is a party and is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of Transferee Company 2, as the case may be, and may be enforced by or against Transferee Company 2 as fully and eventually as if, instead of the Transferor Company, the Transferee Company 2 had been a party thereto. The Transferee Company 2 shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, Transferee Company 2 shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of Transferor Company

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and to implement or carry out all formalities required on the part of the Transferred Undertaking 2 of Transferor Company to give effect to the provisions of this Scheme.

24. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

24.1 With effect from the Appointed Date and up to the Effective Date.

- (i) The Transferor Company shall carry on and be deemed to have carried on the business and activities in relation to the Transferred Undertaking 2 and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the Transferred Undertaking 2 for and on account of and in trust for the Transferee Company 2.
- (ii) All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company in relation to the Transferred Undertaking 2 shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company 2; and
- (iii) The Transferor Company shall carry on its business and activities with reasonable diligence and business prudence.

24.2 The Transferee Company 2 shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Transferee Company 2 may require to carry on the business of the Transferred Undertaking 2.

25. CONSIDERATION

25.1 Upon coming into effect of this Scheme and upon vesting and transfer of the Transferred Undertaking 2 of the Transferor Company into the Transferee Company 2 and as consideration for the transfer of the Transferred Undertaking 2, the Transferee Company 2 will discharge a total all-inclusive lump-sum consideration of Rs.29,59,00,000 (Rupees Twenty Nine Crores Fifty Nine lakhs) either:

- a) by issue and allotment of Transferee Company 2 OCRPS of Rs. 100/- (Rupees One Hundred) each at par to the Transferor Company; or
- b) By payment of cash or cash equivalent consideration within a defined period as may be agreed between the Transferor Company and Transferee Company 2; or
- c) By a combination of (a) and (b) above.

25.2 The issue and allotment of Transferee Company 2 OCRPS in the Transferee Company 2 to the Transferor Company as provided in the Scheme, shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Companies Act, 2013 (Section 81(1A) of the Companies Act, 1956 to the extent applicable) and any other applicable provisions of the Act or any amendments thereto were duly complied with.

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26. ACCOUNTING TREATMENT

26.1 In the books of the Transferor Company:

- a) Upon the coming into effect of the Scheme, with effect from the Appointed Date, the accounts representing the assets and liabilities of the Transferred Undertaking 2, as laid out in Part B of Schedule I shall stand closed on transfer to the Transferee Company 2, including the corporate loans, term loans, advances and borrowings relatable or pertaining to the Transferred Undertaking 2 which will be transferred in entirety to the Transferee Company 2 in accordance with the provisions of this Scheme. The Transferor Company will reduce in its books of accounts, the book value of assets and liabilities pertaining to the Transferred Undertaking 2 transferred to the Transferee Company 2.
- b) The assets and the liabilities of the Transferred Undertaking 2 being transferred to the Transferee Company 2 shall be at values appearing in books of account of Transferor Company on the Appointed date.
- c) The difference between the amount of consideration stated hereinabove and the net book value of assets and liabilities pertaining to the Transferred Undertaking 2 shall be appropriated and adjusted against the reserves and surplus of the Transferor Company.

26.2 In the books of the Transferee Company 2:

- a) The assets and liabilities transferred from Transferor Company to Transferee Company 2 will be recorded in the books of the Transferee Company 2 at the carrying amounts reflected in the books of the Transferor Company as on the Appointed Date.
- b) The difference between the amount of consideration stated hereinabove and the net book value of assets and liabilities pertaining to the Transferred Undertaking 2 shall be appropriated and adjusted against the reserves and surplus of the Transferee Company 2.
- c) It is hereby clarified that all transactions during the period between the Appointed Date and Effective Date relating to the Transferred Undertaking 2 would be duly reflected in the financial statements of the Transferee Company 2 at their respective transaction value upon this Scheme coming into effect, as may be decided by the Board of Directors of the Transferee Company 2.

27. TAX

- 27.1 Upon the Scheme becoming effective, the Transferee Company 2 and/or Transferor Company may revise, if it becomes necessary, its income tax returns, sales tax returns, excise and cenvat returns, service tax returns, other tax and regulatory returns and to

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restore input credit of service tax adjusted earlier or claim refunds/ credits pursuant to the provisions of this Scheme.

- 27.2 All taxes (including income tax, sales tax, excise duty, customs duty, service tax, Value Added Tax (VAT), octroy duty, etc) paid or payable by the Transferor Company, in respect of the operations and/ or the profits of the Transferred Undertaking 2 before the Appointed Date, shall be on account of the Transferor Company, and insofar as it related to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, octroy duty, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferred Undertaking 2 after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company 2, and shall, in all proceedings, be dealt with accordingly.
- 27.3 Without prejudice to the generality of the foregoing on and from the Appointed Date, if any certificate for tax deducted at source or any other tax credit certificate relating to the Transferred Undertaking 2 is received in the name of the Transferor Company, it shall be deemed to have been received by the Transferee Company 2 which alone shall be entitled to claim credit for such tax deducted or paid.
- 27.4 Upon the Scheme becoming effective, Transferee Company 2 is expressly permitted to claim refunds/credits on account of service tax in accordance with the Service Tax Rules, pertaining to the Transferred Undertaking 2.

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PART – V

Scheme of arrangement of Brigade Enterprises Limited and Augusta Club Private Limited:

28. The transfer of the Transferred Undertaking 3 of Brigade Enterprises Limited (Transferor Company) into August Club Private Limited (Transferee Company 3) under this Scheme of Arrangement will be effected under the provisions of Section 230 to 233 of the Act. This Scheme has been drawn up such that:
- 28.1 [All the properties of the Transferred Undertaking 3 being transferred by the Transferor Company immediately before the transfer, becomes the properties of the Transferee Company;
- 28.2 All the liabilities relatable to the Transferred Undertaking 3 being transferred by the Transferor Company, immediately before the transfer, becomes the liabilities of the Transferee Company by virtue of the transfer;
- 28.3 The properties and the liabilities, if any, relatable to the Transferred Undertaking 3 being transferred by the Transferor Company are transferred to Transferee Company 3 at values appearing in the books of the Transferor Company on the Appointed Date;
- 28.4 The Transferee Company 3 shall issue, in consideration of the transfer, either Transferee Company 3 OCRPS or cash or a combination of both to the Transferor Company as on the Record Date;
- 28.5 The transfer of the Transferred Undertaking 3 to the Transferee Company 3 will be on a going concern basis.
29. **TRANSFER OF ASSETS**
- 29.1 With effect from the Appointed Date, the entire business and undertaking comprising of the business activities together with all the assets of the Transferred Undertaking 3 comprising amongst others, all plant and machinery, land and building, offices, roads, culverts, tube well installations, capital work-in-progress, vehicles, investments, stocks, receivables, goodwill, furniture and fixtures, utensils, computers, equipments, apparatus, servers and networking equipment, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, trademarks, patents, permits, authorizations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Transferee Company 3 on a going concern basis, so as to become the properties of Transferee Company.
- 29.2 All assets and properties of the Transferred Undertaking 3 which are moveable in nature, including investments, or are otherwise capable of transfer by physical delivery or by endorsement and delivery, shall be so transferred by the Transferor Company,

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without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company 3.

- 29.3 It is hereby clarified that if any assets (including but not limited to any estate, rights, title, interest in or authorities relating to such assets) in relation to the Transferred Undertaking 3 which the Transferor Company owns, cannot be transferred to the Transferee Company 3 for any reason whatsoever, the Transferor Company shall hold such asset in trust for the benefit of the Transferee Company 3. Notwithstanding the foregoing, it is hereby clarified that it is the intention of the Transferor Company and the Transferee Company 3 to transfer all assets and liabilities in relation to the Transferred Undertaking 3 as a "going concern" and that the provision of this clause 29.3 are interim in nature and are not intended to alter the nature of the transaction, as contemplated under this scheme.

30. TRANSFER OF LIABILITIES

- 30.1 With effect from the Appointed Date, all the debts, liabilities, contingent liabilities, duties and obligations and any accretions and additions or reductions thereto of the Transferred Undertaking 3 shall deemed to be transferred to and vested in the Transferee Company 3 so as to become the liabilities of the Transferee Company 3.

31. TRANSFER OF THE TRANSFERRED UNDERTAKING 3 ON A GOING CONCERN BASIS

- 31.1 With effect from the Appointed Date, the Transferred Undertaking 3 of the Transferor Company would be transferred on a going concern basis to the Transferee Company 3.
- 31.2 In the event of any discrepancy on which of the assets, contracts and employees belong to the Transferred Undertaking 3, the Board of Directors of the Transferor Company shall decide on the same and whose decision will be final and binding on the Transferor Company and the Transferee Company 3.

32. APPOINTED DATE

- 32.1 The transfer of property and liabilities and the continuance of proceedings by the Transferor Company under clauses 28, 29 and 30 above shall not affect any transaction or proceedings already concluded by Transferor Company on or after the Appointed Date till the Effective Date to the end and intent that Transferee Company 3 accepts and adopts all acts, deeds and things done and executed by Transferor Company in regard thereto as done and executed by Transferee Company 3 on behalf of itself. Furthermore, as from the Appointed Date, Transferor Company shall be deemed to have carried on and to be carrying on its business on behalf of and in trust for Transferee Company 3 until such time as the Scheme takes effect.
- 32.2 It is clarified that all debts, liabilities, contingent liabilities, duties and obligations of the Transferred Undertaking 3, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or up to the day of the Appointed Date, shall be the debts, liabilities, duties and obligations of

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Transferee Company 3 including any encumbrance on the assets of Transferor Company or on any income earned from those assets.

33. TRANSFER OF EMPLOYEES

33.1 Upon the coming into effect of this Scheme, all employees substantially engaged with the Transferred Undertaking 3 and any other employees decided by the Board of Directors of the Transferor Company as on such date shall become the employees of the Transferee Company 3, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company, without any interruption of service as a result of the transfer of the Transferred Undertaking 3 from the Transferor Company into the Transferee Company 3.

33.2 Upon the Scheme coming into effect, the accounts of the employees, who are employed by Transferor Company, relating to Provident Fund, Gratuity Fund and Pension and/or Superannuation Fund and any other Fund, shall be identified, determined and transferred to the respective funds of Transferee Company 3 and the employees shall be deemed to have become members of such trusts/funds of Transferee Company 3.

34. LEGAL PROCEEDINGS

34.1 All legal proceedings of whatsoever nature by or against in regard to the Transferred Undertaking 3 pending and/or arising at the Appointed Date or its properties, assets, debts, liabilities, duties and obligations referred to in clauses 28, 29 and 30 shall be continued and/or enforced until the Effective Date as desired by the Transferee Company 3 and as and from the Effective Date shall be continued and enforced by or against Transferee Company 3 in the manner and to the same extent as would or might have been continued and enforced by or against the Transferred Undertaking 3.

35. CONTRACTS, DEEDS, ETC.

35.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature, relating to which the Transferred Undertaking 3 of the Transferor Company is a party and is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of Transferee Company 3, as the case may be, and may be enforced by or against Transferee Company 3 as fully and eventually as if, instead of the Transferor Company, the Transferee Company 3 had been a party thereto. The Transferee Company 3 shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, Transferee Company 3 shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of Transferor Company

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and to implement or carry out all formalities required on the part of the Transferred Undertaking 3 of Transferor Company to give effect to the provisions of this Scheme.

36. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

36.1 With effect from the Appointed Date and up to the Effective Date.

- (i) The Transferor Company shall carry on and be deemed to have carried on the business and activities in relation to the Transferred Undertaking 3 and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the Transferred Undertaking 3 for and on account of and in trust for the Transferee Company 3.
- (ii) All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company in relation to the Transferred Undertaking 3 shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company 3; and
- (iii) The Transferor Company shall carry on its business and activities with reasonable diligence and business prudence.

36.2 The Transferee Company 3 shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Transferee Company 3 may require to carry on the business of the Transferred Undertaking 3.

37. CONSIDERATION

37.1 Upon coming into effect of this Scheme and upon vesting and transfer of the Transferred Undertaking 3 of the Transferor Company into the Transferee Company 3, and as consideration for the transfer of the Transferred Undertaking 3, the Transferee Company 3 will discharge a total all-inclusive lump-sum consideration of Rs.3,25,00,000 (Rupees Three Crore Twenty Five lakhs) either:

- a) By issue and allotment of Transferee Company 3 OCRPS of Rs.100/- (Rupees One Hundred) each at par to the Transferor Company ; or
- b) By payment of cash or cash equivalent consideration within a defined period as may be agreed between the Transferor Company and Transferee Company 3; or
- c) By a combination of (a) and (b) above.

37.2 The issue and allotment of Transferee Company 3 OCRPS in the Transferee Company 3 to the Transferor Company as provided in the Scheme, shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Companies Act, 2013

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(Section 81(1A) of the Companies Act, 1956 to the extent applicable) and any other applicable provisions of the Act or any amendments thereto were duly complied with.

38. ACCOUNTING TREATMENT

38.1 In the books of the Transferor Company:

- a) Upon the coming into effect of the Scheme, with effect from the Appointed Date, the accounts representing the assets and liabilities of the Transferred Undertaking 3, as laid out in Part C of Schedule I shall stand closed on transfer to the Transferee Company 3, including the corporate loans, term loans, advances and borrowings relatable or pertaining to the Transferred Undertaking 3 which will be transferred in entirety to the Transferee Company 3 in accordance with the provisions of this Scheme. The Transferor Company will reduce in its books of accounts, the book value of assets and liabilities pertaining to the Transferred Undertaking 3 transferred to the Transferee Company 3.
- b) The assets and the liabilities of the Transferred Undertaking 3 being transferred to the Transferee Company 3 shall be at values appearing in books of account of Transferor Company on the Appointed date.
- c) The difference between the amount of consideration stated hereinabove and the net book value of assets and liabilities pertaining to the Transferred Undertaking 3 shall be appropriated and adjusted against the reserves and surplus of the Transferor Company.

38.2 In the books of the Transferee Company 3:

- a) The assets and liabilities transferred from Transferor Company to Transferee Company 3 will be recorded in the books of the Transferee Company 3 at the carrying amounts reflected in the books of the Transferor Company as on the Appointed Date.
- b) The difference between the amount of consideration stated hereinabove and the net book value of assets and liabilities pertaining to the Transferred Undertaking 3 shall be appropriated and adjusted against the reserves and surplus of the Transferee Company 3
- c) It is hereby clarified that all transactions during the period between the Appointed Date and Effective Date relating to the Transferred Undertaking 3 would be duly reflected in the financial statements of the Transferee Company 3 at their respective transaction value upon this Scheme coming into effect, as may be decided by the Board of Directors of the Transferee Company 3.

39. TAX

- 39.1 Upon the Scheme becoming effective, the Transferee Company 3 and/or Transferor Company may revise, if it becomes necessary, its income tax returns, sales tax returns,

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Company Secretary

excise and cenvat returns, service tax returns, other tax and regulatory returns and to restore input credit of service tax adjusted earlier or claim refunds/ credits pursuant to the provisions of this Scheme.

- 39.2 All taxes (including income tax, sales tax, excise duty, customs duty, service tax, Value Added Tax (VAT), octroy duty, etc) paid or payable by the Transferor Company, in respect of the operations and/ or the profits of the Transferred Undertaking 3 before the Appointed Date, shall be on account of the Transferor Company, and insofar as it related to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, octroy duty, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferred Undertaking 3 after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company 3, and shall, in all proceedings, be dealt with accordingly.
- 39.3 Without prejudice to the generality of the foregoing on and from the Appointed Date, if any certificate for tax deducted at source or any other tax credit certificate relating to the Transferred Undertaking 3 is received in the name of the Transferor Company, it shall be deemed to have been received by the Transferee Company 3 which alone shall be entitled to claim credit for such tax deducted or paid
- 39.4 Upon the Scheme becoming effective, Transferee Company 3 is expressly permitted to claim refunds/credits on account of service tax in accordance with the Service Tax Rules, pertaining to the Transferred Undertaking 3 .

For Brigade Enterprises Limited

Company Secretary



PART VI

Dealing with the Remaining Business of Transferor Company

40. All the assets, liabilities and obligations pertaining to the Remaining Business shall continue to belong to and be managed by the Transferor Company.
41. The Remaining business shall continue to belong to and be vested in and be continued to be owned and managed by the Transferor Company. All legal, taxation or other proceedings by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Undertaking (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Remaining Business) shall be continued and enforced by or against the Transferor Company. The Transferee Companies shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against the Transferor Company in relation to the Remaining Business.
42. Notwithstanding the transfer of the Transferred Undertakings to the Transferee Companies operative from the Appointed Date:
- (i) The Transferor Company shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf; and
 - (ii) All profits and cash accruing to the Transferor Company thereon or losses arising or incurred by it relating to the Remaining Business shall, for all purposes, be treated as the profits/cash or losses, as the case may be, of the Transferor Company.
43. All the assets and properties acquired by the Transferor Company in relation to the Remaining Business on and after Appointed Date shall belong to and continue to remain vested in the Transferor Company.

For Brigade Enterprises Limited

Company Secretary

PART- VII

Dealing with General Terms and Conditions

44. CONDITIONALITY OF THE SCHEME

44.1 This Scheme is and shall be conditional upon and subject to:

- (i) The approval by the requisite majorities of the members of Transferor Company and Transferee Companies.
- (ii) The certified copies of the Order of the Authority under Sections 230 to 233 of the Act sanctioning the Scheme being filed with the Registrar of Companies of Karnataka.

45. APPLICATION TO AUTHORITY

45.1 The Transferor Company and the Transferee Companies shall, with all reasonable dispatch, make application to the Authority where the registered offices of the companies are situated, for sanctioning the Scheme of Arrangement under Sections 230 to 233 of the Act or such other applicable provisions under the Act.

46. MODIFICATION OR AMENDMENTS TO THE SCHEME

46.1 The Transferor Company and the Transferee Companies, by their respective Boards of Directors, may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court and/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). The Transferor Company and the Transferee Companies, by their respective Boards of Directors, shall be authorized 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 orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

47. COSTS, CHARGES AND EXPENSES

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

48. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals not being obtained and / or the Scheme not being sanctioned by the Authority, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

For Brigade Enterprises Limited

Company Secretary

SCHEDULE I

PART A

All Assets, Liabilities, Contracts, Licenses, Employees, Rights, Claims etc. pertaining to the Transferred Undertaking 1 of Brigade Enterprises Limited (Transferor Company) would be transferred to Brigade Hotel Ventures Limited (Transferee Company 1) as on 30/9/2016, specifically, but not limited to, the following:

SCHEDULE OF ASSETS			Rs. In Lakhs	Rs. In Lakhs
(1)	Non - current assets			
	(a)	Land	2,326	
		Building	19,835	
		Plant & machinery	3,514	
		Furniture & Fixtures	2,049	
		Computers, software & vehicles	121	
		Capital work in progress	7,323	
			35,168	
	(b)	Non - current investments	9,210	
	(c)	Long term loans and advances	1,673	
	(d)	Other Non- current assets	-	
				46,051
(2)	Current Assets			
	(a)	Inventories	741	
	(b)	Trade receivables	788	
	(c)	Cash and bank balances	933	
	(d)	Short term loans and advances	1,453	
	(e)	Other current assets	618	
				4,533

For Brigade Enterprises Limited

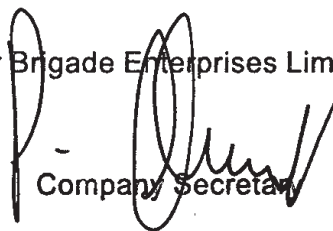
Company Secretary

TOTAL				50,583
SCHEDULE OF LIABILITIES			Rs. In Lakhs	Rs. In Lakhs
(1)	Non - Current liabilities			
	(a)	Long term borrowings	17,913	
	(b)	Other long term liabilities	855	
				18,768
(2)	Current Liabilities			
	(a)	Other current liabilities	3,773	
				3,773
TOTAL				22,541

Note: The assets and liabilities listed above pertaining to the hotels business undertaking, specifically includes the assets and liabilities pertaining to the following as on October 1, 2016:

1. Grand Mercure – Bangalore.
2. Sheraton Grand – Bangalore
3. Grand Mercure – Mysuru
4. Holiday Inn Express Race Course Road – Bangalore
5. Four Points by Sheraton – Kochi.
6. IBIS Styles – Mysuru
7. Vaikom Project.
8. Holiday Inn Chennai OMR IT Expressway – Investment.

For Brigade Enterprises Limited


Company Secretary

PART B

All Assets, Liabilities, Contracts, Licenses, Employees, Rights, Claims etc. pertaining to the Transferred Undertaking 2 of Brigade Enterprises Limited (Transferor Company) would be transferred to Brigade Hospitality Services Limited (Transferee Company 2) as on October 1, 2016, specifically, but not limited to, the following :

SCHEDULE OF ASSETS	Rs. In Lakhs	Rs. In Lakhs
(1) Non - Current assets		
(a) Land	581	
Building	2,376	
Plant & machinery	0.4	
Furniture & Fixtures	2	
TOTAL		<u>2,959</u>

Note: Above assets pertain to the following Clubs & Convention centers in BEL books as on October 1, 2016.

1. The Woodrose Club - Bangalore.
2. MLR Convention Center JP Nagar – Bangalore.
3. MLR Convention Center Whitefield – Bangalore.
4. Galaxy Club – Bangalore.

For Brigade Enterprises Limited

Company Secretary

PART C

All Assets, Liabilities, Contracts, Licenses, Employees, Rights, Claims etc. pertaining to the Transferred Undertaking 3 of Brigade Enterprises Limited (Transferor Company) would be transferred to Augusta Club Private Limited (Transferee Company 3) as on October 1, 2016, specifically, but not limited to, the following:

SCHEDULE OF ASSETS	Rs. In Lakhs	Rs. In Lakhs
(1) Non - Current assets		
(a) Land	15	
Building	310	
TOTAL		<u>325</u>

Note: Above assets pertains to Augusta Club in BEL books as on 30.09.2016.

For Brigade Enterprises Limited

Company Secretary

FREE OF COST COPY

IN THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH

CP(CAA)No.78/BB/17

Under Section 230 to 232 of Companies Act, 2013

IN THE MATTER OF
BRIGADE ENTERPRISES LIMITED
BRIGADE HOTEL VENTURES LIMITED
BRIGADE HOSPITALITY SERVICES LIMITED
AND
AUGUSTA CLUB PRIVATE LIMITED

Order delivered on: 13th March, 2018

Coram: Hon'ble Shri Ratakonda Murali, Member (Judicial)
Hon'ble Shri Ashok Kumar Mishra, Member (Technical)

For the Petitioner (s) 1. Ms. Jyothi, Advocate
2. Mr. Putta Siddaiah, Central Gov. Standing Counsel

Per: Hon'ble Shri Ashok Kumar Mishra, Member (Technical)

Heard on: 15.11.2017, 4.1.2018, 31.1.2018, 21.2.2018, 26.2.2018

COMMON ORDER

These Company Petitions were filed on behalf of the Petitioner Companies under Section 230-232 of the Companies Act, 2013 read with Companies (Compromises, Arrangement and Amalgamation) Rules, 2016, praying to order for sanctioning of the scheme of Arrangement of the Transferor Company with the Transferee Companies and shall be binding upon all the Shareholders and Creditors of the Companies.

The averments made in the Company Petition are briefly described hereunder:

The Petitioner Companies seek an order for sanctioning the Scheme of Arrangement of Brigade Enterprises Limited (Transferor Company) with Brigade Hotel Ventures Limited (Transferee Company No.1), Brigade Hospitality Services Limited (Transferee Company No.2), Augusta Club Private Limited (Transferee Company No.3). The Scheme of Arrangement is shown as **Annexure-A**.

The Petitioner Company No.1/Transferor Company was incorporated on 8th November, 1995 with Registrar of Companies, Karnataka under the name and style of



Brigade Enterprises Limited. The Registered Office of the Applicant Company No.1/ Transferor Company is situated at 29th and 30th floor, World Trade Centre, 26/1, Brigade Gateway, Dr. Rajkumar Road, Malleshwaram-Rajajinagar, Bangalore-560055.

The main objects of the Petitioner Company No.1/Transferor Company is to carry on the business of property developers, real estate promoters, builders, masonry and general construction contractors and among other things to constitute, execute, carry out, equip, improve work and advertise houses, buildings, industrial sheds, commercial complexes and erection of every kind, or any building or construction materials. The copy of Memorandum and Articles of Association of the Petitioner Company No.1/Transferor Company is shown as **Annexure-B.**

The latest authorized share capital of Petitioner Company No.1/Transferor Company is Rs.150,00,00,000/- divided into 15,00,00,000 Equity Shares of Rs.10/- each. The issued, subscribed and paid-up share capital is Rs.135,69,05,610/- divided into 13,56,90,561 Equity Shares of Rs.10/-each fully paid up. The Audited balance sheet as on 31st March, 2017 is shown as **Annexure -C.**

The Petitioner Company No.2/ Transferee Company No.1 was incorporated on 24th August, 2016 under the name and style of Brigade Hotel Ventures Limited. The Registered office of the Transferee Company No.1 is situated at 29th and 30th floor, World Trade Centre, 26/1, Brigade Gateway, Dr. Rajkumar Road, Malleshwaram-Rajajinagar, Bangalore-560055.

The main objects of the Petitioner Company No.2/Transferee Company No.1 is to carry on the business of activities such as establishment, construction, erection, building, owning, purchase, acquisition, undertaking, promotion, running, management, owing, leasing, operation, of spaces such as restaurants, service apartments, senior citizens homes, retirement homes, cinema multiplexes, old age homes, health centres, hospitals and so on. The copy of Memorandum and Articles of Association of the Petitioner Company No.2/ Transferee Company No.1 is shown as **Annexure-D.**

The latest authorised capital of the Petitioner Company No.2/Transferee Company No.1 is Rs.1,00,00,000/- divided into 10,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid-up capital is Rs.1,00,00,000/- divided into 10,00,000 equity shares of Rs.10/- each. The Audited balance sheet as on 31st March, 2017 is shown as **Annexure-E.**



It is further stated that Petitioner Company No.3/ Transferee Company No.2 was incorporated on 1st June, 2004 under the name and style of Brigade Hospitality Services Limited with the Registrar of Companies, Karnataka. The Registered office of the Transferee Company No.2 is situated at 29th Floor, World trade Center, brigade gateway Campus, 26/1 Dr.Rajkumar Road, Malleshwaram-Rajajinagar, Bangalore-560055.

The main objects of the Petitioner Company No.3/Transferee Company No.2 is to carry on the business of activities such as erection, building, owning, purchase, acquisition, promotion, running, management, purchase, acquisition, promotion, running, management, owning, leasing, operation, of spaces such as restaurants, service apartments, senior citizens homes, cinema multiplexes, health centres and so on. The copy of Memorandum and Articles of Association of the Petitioner Company No.3/Transferee Company No.2 is shown as **Annexure-F**.

The latest authorised capital of the Petitioner Company No.3/Transferee Company No.2 is Rs.15,00,00,000/- divided into 1,50,00,000 equity shares of Rs.10/- each and The issued, subscribed and paid-up capital is Rs.15,00,00,000/- divided into 1,50,00,000 equity shares of Rs.10/- each. The Audited balance sheet as on 31st March, 2017 is shown as **Annexure-G**.

It is further stated that Petitioner Company No.4/ Transferee Company No.3 was incorporated on 1st September, 2016 under the name and style of Augusta Club Private Limited with the Registrar of Companies, Karnataka. The Registered office of the Transferee Company No.3 is situated at 29th & 30th Floor, World Trade Center, brigade gateway Campus, 26/1 Dr.Rajkumar Road, Malleshwaram-Rajajinagar, Bangalore-560055.

The main objects of the Petitioner Company No.4/Transferee Company No.3 is to carry on the business of activities such as erection, building, owning, purchase, acquisition, promotion, running, management, owning, purchase, acquisition, promotion, running, management, owning, leasing, operation, of spaces such as restaurants, service apartments, senior citizens homes, cinema multiplexes, health centres and so on. The copy of Memorandum and Articles of Association of the Petitioner Company No.3/Transferee Company No.2 shown as **Annexure-H**.

The latest authorised capital of the Petitioner Company No.4/Transferee Company No.3 is Rs.10,00,000/- divided into 1,00,000 equity shares of Rs.10/- each and The issued,



subscribed and paid-up capital is Rs.5,00,000/- divided into 50,000 equity shares of Rs.10/- each. The Audited balance sheet as on 31st March, 2017 is shown as **Annexure-I**.

It is further averred that the proposed arrangement will benefit all the companies in the following manner:

1. This arrangement will help provide focussed leadership and management attention to each of these business undertakings.
2. To grow the business and enhance the shareholder return on a year on year basis.

It is further stated that, the Board of Directors of the Transferee Companies and Transferor Company have approved and adopted a Scheme of Arrangement at their respective meetings held on 15th December, 2016 of Brigade Enterprises Limited, Brigade Hotel Ventures Limited, Brigade Hospitality Services Limited and Augusta Club Private Limited subject to confirmation. Copies of the Board Resolution of Transferee Companies and Transferor Company dated 15th December, 2016 approving and adopting the Scheme of Arrangement are shown as **Annexure-J, K, L, M respectively**.

The Petitioner Companies had filed CA(CAA).No.49/17 before this Tribunal for seeking to convene the meeting of Equity Shareholders, Secured Creditors and Unsecured Creditors of the Applicant company no.1, to convene the meeting of Unsecured creditors of Applicant Company No.3, dispense with convening of meetings of Shareholders, Secured creditors and Unsecured Creditors of Applicant Company No.2&4 and dispense with convening of meeting of Shareholders and Secured Creditors of Applicant Company No.3. This Tribunal vide separate orders dated 7th August, 2017 allowed the Application and directed that the meeting of Equity Shareholders, Secured Creditors & Unsecured Creditors of Applicant Company No.1 on ~~21-9-2017~~ ^{on 21-9-2017 at 4-00 PM} ~~21-9-2017~~ ²¹⁻⁹⁻²⁰¹⁷ at 10:00 A.m., 12:00 Noon and 1:00 P.M. respectively. The meeting of Unsecured Creditors of the Applicant Company No.3 on ~~21-9-2017~~ ²¹⁻⁹⁻²⁰¹⁷ at 2:00 P.M.. The meetings of Shareholders, Secured Creditors and Unsecured Creditors of the applicant companies no.2 &4 and meeting of Shareholders and Secured Creditors of Applicant Company No.3 is dispensed with. Copy of order passed by this Tribunal in CA(CAA)No.49/BB/2017 is shown as **Annexure-A in the memo dated 17th October, 2017**.

The Transferor Company and the Transferee Companies filed the petition bearing CP(CAA) No.78/BB/17 before this Tribunal for approving the scheme of Arrangement on 28th September, 2017.



This Tribunal vide order dated 15th November, 2017 in CP(CAA)No.78/BB/17 issued notice to Regional Director, Registrar of Companies, Income Tax Department, Official Liquidator and to other sectoral regulators and also directed to have an advertisement be published in the "The Hindu" and "Udayavani" newspapers stating that the next date of hearing of the present petition was on 4th January, 2018. A Memo dated 21st February, 2018 has been filed at Page No.1-2 in CP(CAA)No.23/BB/17 furnishing the newspaper publications.

In pursuant to the same the Counsel for the Petitioner Companies has filed affidavit **dated 27th December, 2017** of the authorized signatory of the Petitioner Company for having taken paper publication as directed and also has furnished the copy of the paper publication for having taken Advertisement in 'The Hindu', an English daily Newspaper and 'UdayaVani' a Kannada daily Newspaper.

The Regional Director, Ministry of Corporate Affairs, South-East Region, Hyderabad has filed affidavit dated 21st February, 2018 making some observations:

- a. The 1st, 2nd and 3rd Resulting/Transferee Companies, at present, have no requisite provisions in their authorized share capital clause to issue OCRPS, if any, for discharge of consideration to the Demerger/Transferor Company. Hence, those companies will have to file Form SH 7 for suitable increase in the Authorized Share Capital as also MGT-14 for incorporating requisite amendments to the Authorized Capital Clause of Memorandum of Association, on the strength of the Tribunal approved scheme.
- b. The 1st, 2nd and 3rd Resulting/Transferee Companies shall also file MGT- 14 forms notifying the approval of their respective boards to the instant scheme of arrangement in terms of Section 179(3)(i) read with Section 117(3)(g) of the Companies Act, 2013.

The Counsel for the Petitioner Companies has filed an Affidavit dated 21st February, 2018 by way of memo dated 21st February, 2018 and stated as follows:

1. For Observation No.1: The Petitioner Companies No.2 to 4 (being the Transferee Companies do not have sufficient authorized capital to allot Optionally Convertible Redeemable Preference Shares (OCRPS) to the Petitioner Company No.1 as consideration. The Authorized Signatory of the Petitioner Companies stated that the Petitioner Companies No.2&4 hereby

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undertake to increase their authorized capital in accordance with the provisions of the Companies Act, 2013 and applicable law, upon the scheme becoming effective, before allotting the Optionally Convertible Preference Shares (OCRPS) as consideration in the terms of the scheme.

2. For Observation No.2: The Authorized Signatory states that the MGT-14 was filed by the Transferee Company No.1, 2 and 3 along with the relevant payment challans are attached herewith as Annexure A series. Copy of the same was also served on the office of Regional Director on 6.2.2018. It was further stated that the MGT-14 has also been approved by the ROC. The copy of the MGT-14 and payment challans along with the mail intimating the approval for filing the MGT-14 is attached herewith as Annexure A series.

The Registrar of Companies in Karnataka, Bangalore vide letter No.ROCB/Legal/CA.No.49/BB//2017 dated 7th November, 2017 has filed his Report stating that

1. Demerging/Transferor Company has filed GNL-1 Resulting/Transferee Company No.1,2 & 3 have not filed GNL-1. Demerging/Transferor Company and Resulting/Transferee Company No.1,2 & 3 have not filed MGT-14 approving the scheme in terms of Section 179 (3) (i) read with Section 117(3)(g) of the Companies Act, 2013.
2. Transferee/Resulting Company No.1 & 3 were incorporated on 24/8/2016 and 1/9/2016 respectively. Annual Return and Balance Sheets are not yet due.
3. Hon'ble NCLT in its order dated 7.8.2017 directed the petitioner companies to publish in Newspaper about the notice of meeting of Equity shareholders and creditors in HINDU and UDAYAVANI. Petitioner Companies has not attached a copy of the newspaper publication.
4. Resulting/Transferee Companies are going to pay the Demerging/Transferor Company in terms of cash or OCRPS or both. However the Resulting/Transferee Company No.1 does not have any amount of authorized capital with it. Resulting/Transferee Company No.2 and No.3 do not have OCRPS (Optionally Convertible Redeemable Preference Shares) in their account.

The Counsel for the Petitioner Companies has filed a Memo dated 31.1.2018 and stated as follows:



1. For Observation No.1: There is no requirement to file form GNL-1 in the present case as the joint petition is filed under section 230 to 232 of the Companies Act, 2013 and not under Section 233. Under Rule 25(4)(b) of the Companies (Compromises, Amalgamations and Arrangements) rules, 2016, form GNL-1 is required to be filed in case the petition is filed under Section 233 of Companies Act, 2013. By way of abundant caution, Form GNL-1 has been filed in respect of Transferor Company viz. a listed entity. However, a copy of the scheme has been served on the ROC in the physical form and the acknowledgement is attached herewith as Annexure A.
2. For Observation No.2: The MGT-14 filed by the Transferee Company No.1, 2 and 3 along with the relevant payment challans are attached herewith as Annexure B series.
3. For Observation No.3: The copy of notice of hearing on 4.1.2018 of the Hon'ble National Company Law Tribunal was published in "The Hindu" and "Udayavani" both dated 12.12.2017 and the same was filed before this Hon'ble Tribunal vide compliance affidavit dated 27.12.2017. The compliance affidavit filed by the director of the Transferor Company was taken on record by this Hon'ble Tribunal vide its order dated 4.1.2018.

The newspaper advertisements have been served on the ROC vide letter dated 23.1.2018 and the same is produced herewith as Annexure-C.

4. For Observation No.4: While the present authorised capital of the Transferee Company No.1 may not be sufficient to issue and allot OCRPS to the Transferor Company, upon the scheme becoming effective, before allotting the shares in the terms of the scheme, the authorised capital of the Transferee Company No.1 will be increased.

Transferee Company No.2 and 3, upon the Scheme becoming effective, the share capital of Transferee Company No.2 and 3 the unissued authorised capital will be reclassified and divided to provide for such number of OCRPS required for issue and allotment of OCRPS to the Transferor Company.

The Counsel for the Petitioner Companies has furnished the certificate of the Chartered Accountant stating that the accounting treatment detailed in the aforesaid Scheme



is in compliance with Accounting Standard-14 for Amalgamation as prescribed under Section 133 of the Act read with Rule 7 of the Companies (Account) Rules, 2014. The Certificate of the Chartered Accountant is shown as **Annexure-O**.

Further the Director of the Petitioner Companies in his Affidavit dated 17th October, 2017 stated that there are no other approvals required from sectoral regulatory authorities.

After hearing the counsel for the Petitioner Companies and also considering the materials on records the scheme appears to be fair, reasonable and is not detrimental against the Members or Creditors or contrary to public policy and the same can be approved.

THIS TRIBUNAL DO FURTHER ORDER

While Approving the Scheme as above, we further clarify that, this order should not be construed as an order in any way of granting exemption from payment of Stamp Duty, taxes or any other charges, if any, and payment in accordance with law or in respect to any permission/ compliance with any other requirement which may be specially required under any law.

The Whole of the property, rights and powers of the ~~Brigade Enterprises Limited~~ *Hotels business undertaking, integrated clubs and Convention Centres, business undertaking of Augustus Club Business Undertaking* (Transferor Company) be transferred without further act or deed to the Brigade Hotel Ventures Limited (Transferee Company No.1), Brigade Hospitality Services Limited (Transferee Company No.2) and Augusta Club Private Limited (Transferee Company No.3) and accordingly the same shall pursuant to Section 232 of the Companies Act, 2013, be transferred to and vest in the Transferee Companies for all the state and interest of the Transferor Company therein but subject nevertheless to all charges now affecting the same; and

All liabilities including taxes and charges, if any and duties of the Transferor Company be transferred without further act or deed to the Transferee Companies and accordingly the same shall pursuant to section 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the Transferee Companies; and

All proceedings now pending by or against the Transferor Company, if any, be continued by or against the Transferee Companies; and

The tax implications, if any arising out of the scheme is subject to final decision of concerned Tax Authorities and the decision of the respective Tax Authority shall be binding.

The Petitioner Companies shall within thirty days of the date of the receipt of this order cause a certified copy of this order along with a copy of scheme of Arrangement to be



delivered to the Registrar of Companies for registration in accordance with Rule 25 (7) of Companies (Compromises, Arrangements And Amalgamations) Rules, 2016.


The Scheme shall be effective from the appointed date as mentioned in the Scheme of Arrangement i.e., 1st October, 2016

The Petitioner Companies should ensure compliance of their undertaking dated 31st January, 2018.

The Transferor Company or its authorised signatory is directed that after the completion of the process of Arrangement to handover the possession of the books of accounts and other relevant documents of the Brigade Enterprises Limited (Transferor Company) to Brigade Hotel Ventures Limited (Transferee Company No.1), Brigade Hospitality Services Limited (Transferee Company No.2) and Augusta Club Private Limited (Transferee Company No.3) for the purpose of Section 239 of the Companies Act, 2013.

Any person shall be at the liberty to apply to this Tribunal in the above matter for any directions that may be necessary.


(ASHOK KUMAR MISHRA)
MEMBER, TECHNICAL


(RATAKONDA MURALI)
MEMBER, JUDICIAL



CERTIFIED TO BE TRUE COPY
OF THE ORIGINAL


Deputy/Asst. Registrar
National Company Law Tribunal
Bengaluru Bench