

NOTICE CONVENING MEETING OF SECURED CREDITORS OF PURANIK BUILDERS LIMITED PURSUANT TO ORDER DATED FEBRUARY 07, 2024 OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

MEETING	
Day	Friday
Date	March 22, 2024
Time	11:00 a.m. (IST)
Mode of meeting	Physical mode
Venue	Board Room at Puranik One, Near Kanchanpushpa Complex, Opp. Suraj Water Park, Kavesar, Ghodbunder Road, Thane (West), Thane – 400 615, Maharashtra, India

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FORM NO. CAA. 2
[Pursuant to Section 230 (3) and Rule 6 and 7]

IN THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

CA(CAA)-280/MB/2023

IN THE MATTER OF SECTIONS 230 TO 232 AND
OTHER APPLICABLE PROVISIONS OF THE COMPANIES
ACT, 2013

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT
BETWEEN PURANIK BUILDERS LIMITED AND PURANIK
CITY RESERVA PRIVATE LIMITED AND THEIR
RESPECTIVE SHAREHOLDERS ("**SCHEME**")

PURANIK BUILDERS LIMITED , a company incorporated under the Indian Companies Act, 1956 having CIN: U99999MH1990PLC056451 and its registered office at Puranik One, Near Kanchanpushpa Complex, Opp. Suraj Water Park, Kavesar, Ghodbunder Road, Thane (West), Thane – 400 615, Maharashtra, India	.. Company / Demerged Company
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NOTICE CONVENING MEETING OF THE SECURED CREDITORS

To,
All the Secured Creditors of
Puranik Builders Limited

1. NOTICE is hereby given that, in accordance with the Order dated February 07, 2024, in the above mentioned Company Petition, passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ("**Tribunal**") ("**Tribunal Order**"), a Meeting of the Secured Creditors of the Company, will be held for the purpose of their considering, and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Puranik Builders Limited ("**Company**" or "**Demerged Company**") and Puranik City Reserva Private Limited ("**Resulting Company**") and their respective shareholders ("**Scheme**") on Friday, March 22, 2024 at 11:00 a.m. (IST).
2. Pursuant to the said Tribunal Order and as directed therein, the meeting of the Secured Creditors of the Company ("**Meeting**") will be held, in physical presence, at Board Room at Puranik One, Near Kanchanpushpa Complex, Opp. Suraj Water Park, Kavesar, Ghodbunder Road, Thane (West), Thane – 400 615, Maharashtra, India to consider, and if thought fit, to pass, with or without modification(s), the following resolution for approval of the Scheme by requisite majority as prescribed under Section 230(1) and (6) read with Section 232(1) of the Act, as amended:

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 of the Companies Act,

2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and other applicable provisions of Companies Act, 2013, and the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Mumbai Bench ("Tribunal"), and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Mumbai Bench of the National Company Law Tribunal or by any other regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the Scheme of Arrangement between Puranik Builders Limited ("Company" or "Demerged Company") and Puranik City Reserva Private Limited ("Resulting Company") and their respective shareholders ("Scheme"), be and is hereby approved;

RESOLVED FURTHER THAT *the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this Resolution and effectively implement the arrangement embodied in the Scheme and to make any modifications or amendments to the Scheme at any time and for any reason whatsoever, and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."*

3. **TAKE FURTHER NOTICE** that the Secured Creditors shall attend and vote at the Meeting in person or by proxy provided that the form of proxy in the prescribed form is duly signed by the Secured Creditors or its authorised representative and is deposited at the registered office of the Company at Puranik One, Near Kanchanpushpa Complex, Opp. Suraj Water Park, Kavesar, Ghodbunder Road, Thane (West), Thane – 400 615, Maharashtra, India not later than 48 (forty-eight) hours before the time fixed for the Meeting. The form of proxy can be obtained free of charge from the registered office of the Company during the normal business hours on working days.
4. A copy of the said Scheme, statement under Sections 230 to 232 read with Section 102 and other applicable provisions of the Act and Rule 6 of the CAA Rules along with all annexures to such statement are appended. A copy of this Notice and the accompanying documents can be obtained free of charge at the registered office of the Company.
5. The Tribunal has appointed Ms. Neeru Sharma, DGM (Rtd.), SBI, Mumbai, to be the Chairperson for the Meeting and Mr. Dhruvil M Shah (C.P. No. 8978), Practicing Company Secretary, to be the Scrutinizer for the Meeting.
6. The Scheme, if approved at the aforesaid Meeting, will be subject to the subsequent sanction of the Tribunal and such other approvals, permissions and sanctions of regulatory

or other authorities, as may be necessary.

Thane, February 13, 2024

Sd/-

Ms. Neeru Sharma, DGM (Rtd.), SBI, Mumbai,
Chairperson appointed by the NCLT for the Meeting

Registered office:

Puranik One, Near Kanchanpushpa Complex, Opp. Suraj Water Park,
Kavesar, Ghodbunder Road, Thane (West),
Thane – 400 615, Maharashtra, India
Telephone: 91-22-2598 8888

Notes

1. Pursuant to the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench ("Tribunal") vide its order dated February 07, 2024 ("Tribunal Order"), the Meeting of the Secured Creditors of the Company is being conducted in physical mode, at Board Room at Puranik One, Near Kanchanpushpa Complex, Opp. Suraj Water Park, Kavesar, Ghodbunder Road, Thane (West), Thane – 400 615, Maharashtra, India to transact the business set out in the Notice convening this Meeting.
2. The Statement pursuant to Sections 230 to 232 read with Section 102 and other applicable provisions of the Companies Act, 2013 ("Act") and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in respect of the business set out in the Notice of the Meeting is annexed hereto.
3. Corporate Creditors / Entities intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company at the registered office of the Company, a certified copy of the relevant Board Resolution (in case of Company/LLP) / Letter of Authorization (in case of partnership firm and others), as the case may be, together with their respective specimen signatures authorizing the representative(s) to attend and vote on their behalf at the Meeting, not later than 48 hours before the scheduled time of the commencement of meeting.
4. The quorum of the aforesaid meeting of the Secured Creditors of the First Petitioner Company shall be as prescribed under Section 103 of the Companies Act, 2013, present either in person or by authorized representative. If the quorum is not present within half an hour from the time appointed for the holding of the meeting the Secured Creditors present shall be the quorum and the meeting shall be held.
5. During the period beginning 24 (twenty-four) hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a secured creditor is entitled to inspect the proxies lodged during the normal business hours of the Company, provided that notice in writing of not less than 3 (three) days before the commencement of Meeting is given to the Company.
6. The Notice convening the Meeting will be published through advertisement in 'Business Standard' in the English language and translation thereof in 'Navshakti' in the Marathi language, both having circulation in Maharashtra.
7. A secured creditor or his/her Proxy is requested to bring the copy of the notice to the Meeting and produce the attendance slip, duly signed and completed, at the entrance of the Meeting venue.
8. Documents referred to in the accompanying Statement shall be open for inspection by the Secured Creditors at the registered office of the Company during normal business hours on working days up to the date of the Meeting.
9. Secured Creditors who have an outstanding balance as on the close of business hours as on January 31, 2024, being the cut-off date, will be entitled to exercise their right to vote on the above resolution. The outstanding amount of the Secured Creditors of the Company shall be

in accordance with the books/register of the Company.

10. The Notice, together with the documents accompanying the same, is sent to all the Secured Creditors by e-mail or Registered Post to their respective address as per the records of the Company.
11. In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013 read with CAA Rules, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the Secured Creditors of the Company, present and voting, in person or by proxy, approve the Scheme.
12. The scrutinizer will submit his report to the Chairperson of the Meeting after completion of the scrutiny of the votes cast by the Secured Creditors. The results, together with the consolidated scrutinizer's report will be available at the registered office of the Company.
13. The Chairperson of the Meeting shall have all powers under the CAA Rules, as may be applicable, in relation to the conduct of the Meeting including for deciding procedural questions that may arise at the Meeting or at any adjournment thereof or any other matter including, an amendment to the Scheme or resolution, if any, proposed at the Meeting by any person(s).

IN THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

CA(CAA)-280/MB/2023

IN THE MATTER OF SECTIONS 230 TO 232 AND
OTHER APPLICABLE PROVISIONS OF THE COMPANIES
ACT, 2013

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT
BETWEEN PURANIK BUILDERS LIMITED AND PURANIK
CITY RESERVA PRIVATE LIMITED AND THEIR
RESPECTIVE SHAREHOLDERS ("**SCHEME**")

<p>PURANIK BUILDERS LIMITED, a company incorporated under the Indian Companies Act, 1956 having CIN: U99999MH1990PLC056451 and its registered office at Puranik One, Near Kanchanpushpa Complex, Opp. Suraj Water Park, Kavesar, Ghodbunder Road, Thane (West), Thane – 400 615, Maharashtra, India</p>	<p>.. Company / Demerged Company</p>
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STATEMENT UNDER SECTIONS 230 TO 232 READ WITH SECTION 102 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 ("ACT") AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 ("CAA RULES") TO THE NOTICE OF THE MEETING OF SECURED CREDITORS OF PURANIK BUILDERS LIMITED CONVENED PURSUANT TO ORDER OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH ("TRIBUNAL") DATED FEBRUARY 07, 2024 ("TRIBUNAL ORDER")

I. MEETING FOR THE SCHEME

This is a statement accompanying the Notice convening the Meeting of Secured Creditors of Puranik Builders Limited ("**Company**"), for the purpose of their considering and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Puranik Builders Limited ("**Company**" or "**Demerged Company**") and Puranik City Reserva Private Limited ("**Resulting Company**") and their respective shareholders ("**Scheme**"). The Scheme provides for demerger of the Demerged Undertaking (*as defined under the Scheme*) from the Demerged Company into the Resulting Company and the Scheme also provides for various other matters consequent and incidental thereto.

The salient features of the Scheme are given in this Statement. The detailed terms of the arrangement may be referred in the Scheme, appended as '**Annexure I**'.

Capital terms not defined herein and used in the Notice and this Statement shall have the same meaning as ascribed to them in the Scheme.

II. DATE, TIME AND MODE OF MEETING

Pursuant to an order dated February 07, 2024, passed by the Hon'ble Tribunal in Company Petition viz. CA(CAA)-280/MB/2023, the Meeting of the Secured Creditors of the Company, will be held on Friday, March 22, 2024 at 11:00 a.m. (IST) for the purpose of their considering and, if thought fit approving, with or without modification(s), the said Scheme, in physical presence, at Board Room at Puranik One, Near Kanchanpushpa Complex, Opp. Suraj Water Park, Kavesar, Ghodbunder Road, Thane (West), Thane – 400 615, Maharashtra, India.

III. **RATIONALE AND BENEFITS OF THE SCHEME**

The circumstances and / or reasons and/or grounds that have necessitated and/or justified the Scheme and some of the major benefits which would accrue from the Scheme are extracted from the Scheme and stated below:

1. The Demerged Company is engaged in development of various real estate projects. One of its real estate project known as the Puranik City Reserva Project (Demerged Undertaking) is contemplated to be demerged into Demerged Company's WoS, the Resulting Company on a going concern basis.
2. This proposed to hive-off the Demerged Undertaking along with all assets, liabilities, employees etc. into Resulting Company will result in focused approach to exploit the growth potential of the project. It will help in providing flexibility to raise capital and also to attract fresh set of investors / strategic partners to participate in the project.

IV. **BACKGROUND OF THE COMPANIES**

A. **Particulars of the Company / Demerged Company**

- (i) **PURANIK BUILDERS LIMITED** is an unlisted public company incorporated under the provisions of the Companies Act, 1956. The registered office of the Company is situated at Puranik One, Near Kanchanpushpa Complex, Opp. Suraj Water Park, Kavesar, Ghodbunder Road, Thane (West), Thane – 400 615, Maharashtra, India. The Company is registered with the Registrar of Companies, Mumbai, having Corporate Identity Number (CIN) U99999MH1990PLC056451. Its Permanent Account Number with the Income Tax Department is AABCP0109R. The email address of the Company is cs@puraniks.in. The Company was incorporated on May 8, 1990, as a private company, under the provisions of the Companies Act, 1956 under the name 'Puranik Builders Private Limited' pursuant to certificate of incorporation issued by the Registrar of Companies, Mumbai. The name of the Company 'Puranik Builders Private Limited' was changed to 'Puranik Builders Limited' pursuant to conversion of the Company from private limited to public limited on May 10, 2018. A certificate of incorporation consequent upon conversion from private company to public company was issued by the Registrar of Companies, Mumbai. The shares of the Company are not listed on any of the stock exchanges.
- (ii) During the last five years there has been no change in name of the Company. Further, during the last five years, there has been no change in the registered office of the Company.

(iii) Main objects of the Company, as per its Memorandum of Association, have been reproduced below for the perusal of the Secured Creditors:

- (a) *"To acquire, buy, purchase, lease, develop, renovate, improve, maintain, exchange or otherwise own property, estate, lands, buildings, hereditaments flats, garages, houses, halls, godowns, shops, warehouses, office premises, mills, factories, chawls, dwelling houses, residential accommodation, bridges or other immovable properties and to turn the same to account as may be expedient and in particular by laying out and preparing lands for building purposes and preparing building site by planting, paving, draining and cultivating lands by demolishing, constructing, reconstructing, altering, improving, furnishing, maintaining, administering, equipping or subdividing properties by leasing or otherwise disposing off the same and to advance money and to enter into contracts and agreements of all lands with builders, tenants, occupiers, either in India to purchase, sell, deal inlands, estates, houses or other landed properties of any tenure whether freehold, leasehold or otherwise and to act as Promoters, Organizers and Developers of land, estates, property, Co-op Housing Societies, Residential housing schemes, Shopping Centers, Commercial Complex, Farm Houses, Holiday Resorts, Hotels, Swimming Pools Amusement Parks and to deals with and improve such properties either as owner or as agents and to join with any other person, partnership firm or company in carrying the above objects.*
- (b) *To undertake construction and management of properties of any person or governmental authorities for the construction of buildings of all descriptions, roads, bridges, earthwork, sewers, tanks, drain culverts, channels, sewerage or other works or things that may be necessary or convenient for any of the objects of the Company and to carry on the business in India as architects, designers, draughts men, decorators, surveyors, valuers, estate agents, town planners, Coordinators, civil engineers, constructional engineers, furnishers, structural engineers, estate agents and land brokers."*

During the last five years, there has been no change in the objects clause of the Company.

(iv) The Company is engaged in the business of Development of Real Estate projects.

(v) The Share Capital of the Company as on March 31, 2023 was as follows:

Particulars	Amount in INR
Authorised share capital	
10,60,00,000 Equity Shares of INR 10/- each	106,00,00,000
90,00,000 5% Redeemable Non – Convertible Preference Shares of INR 10/- each	9,00,00,000
TOTAL	115,00,00,000

Particulars	Amount in INR
Issued, subscribed and paid-up share capital	
5,76,48,207 Equity Shares of INR 10/- each fully paid up	57,64,82,070
90,00,000 5% Redeemable Non - Convertible Preference Shares of Rs.10/- each fully paid up	9,00,00,000
TOTAL	66,64,82,070

Subsequent to the above, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Company.

- (vi) The latest annual financial statements of the Company have been audited for the financial year ended on March 31, 2023. The unaudited financial statement of the Company as on December 31, 2023 is appended as 'Annexure II'.
- (vii) The details of Promoters and Directors of the Company as on March 31, 2023 along with their addresses are mentioned herein below:

Promoter / Promoter Group details		
Name	Category	Address
Mr. Shailesh Puranik	Promoter	2/172, Tarangan-II, Adjoining Cadbury Compound, Pokharan, Thane - 400 602
Mr. Shrikant Puranik	Promoter	2/142, Tarangan, Near Cadbury Compound, Pokharan, Thane - 400 606
Mr. Yogesh Puranik	Promoter	2/141, Tarangan II, Adjoining Cadbury Compound, Pokharan, Thane - 400 606
Mr. Nilesh Puranik	Promoter	2/72-82, Tarangan II, Adjoining Cadbury Compound, Pokharan, Thane - 400 606
Puranik Business Private Trust	Promoter Group	PURANIK ONE, Near Kanchanpushpa Complex, Opposite Suraj Water Park, Kavesar, Ghodbunder Road, Thane (West) - 400 615
Puranik Family Private Trust	Promoter Group	PURANIK ONE, Near Kanchanpushpa Complex, Opposite Suraj Water Park, Kavesar, Ghodbunder Road, Thane (West) - 400 615

Details of Directors		
Name	Designation	Address
Mr. Shailesh Puranik.	Chairman and Managing Director	2/172, Tarangan-II, Adjoining Cadbury Compound, Pokharan, Thane - 400 602
Mr. Shrikant Puranik	Whole Time Director	2/142, Tarangan, Near Cadbury Compound, Pokharan, Thane - 400 606

Mr. Yogesh Puranik	Whole Time Director	2/141, Tarangan II, Adjoining Cadbury Compound, Pokharan, Thane - 400 606
Mr. Nilesh Puranik	Whole Time Director	2/72-82, Tarangan II, Adjoining Cadbury Compound, Pokharan, Thane - 400 606
Mr. Amol Shimpi	Independent Director	132, Sharmishtha, Tarangan Towers, NR Korum Mall, Shahid Mangal Pandey Road, Thane - 400 606
Dr. Shailendra Maheshwari	Independent Director	Flat no 1405/06, Tower 2A, Siddhachal Phase 6, Pokharan Road No 2, Near Vasant Vihar, Thane West, Thane, Maharashtra – 400 601
Ms. Sneha Khandekar	Independent Director	A-8, Aparna Apartment, 78 S.V. Road, Irla Bridge, Andheri (West), Mumbai-400 058
Mr. Jayant Raju Avaral	Independent Director	House No. D- 121, LGF Near Metro Station, Saket, New Delhi 110 017

B. Particulars of the Resulting Company (Puranik City Reserva Private Limited)

- (i) Puranik City Reserva Private Limited is a private company incorporated under the provisions of the Companies Act, 2013. The registered office of the Resulting Company is situated at M/S Puranik Builders Ltd, Puraniks One Kanchan Pushpa G.B.Road Kavesar Thane (West) – 400 615, Maharashtra, India , Maharashtra, India. The Resulting Company is registered with the Registrar of Companies, Mumbai, having Corporate Identity Number (CIN) U70109MH2022PTC395624 . Its Permanent Account Number with the Income Tax Department is AANCP4485A. The email address of the Resulting Company is cs@puraniks.in . The Resulting Company was incorporated on December 20, 2022, as a private company, under the provisions of the Companies Act, 2013 under the name ‘Puranik City Reserva Private Limited’ pursuant to certificate of incorporation issued by the Registrar of Companies, Mumbai. The equity shares of the Resulting Company are not listed on any of the stock exchanges.
- (ii) Since incorporation, there has been no change in the name and registered office of the Resulting Company.
- (iii) Main objects of the Resulting Company, as per its Memorandum of Association, have been reproduced below for the perusal of the Secured Creditors:
 - a. *To carry on the busines of acquiring, buying, purchasing, leasing, developing, renovating, improving, maintainaing, exchanging or otherwise own property, estate, lands, buildings, hereditaments flats, garages, houses, halls, godowns, shops, warehouses, office premises, mills, factories, chawls, dwelling houses, residential accommodation, bridges or other immovable properties and to turn the same to account as may be expedient and in particular by laying out and preparing lands for building purposes and preparing building site by planting, paving, draining and cultivating lands by demolishing, constructing, reconstructing, altering, improving, furnishing, maintaining, administering, equipping or subdividing properties by leasing or otherwise disposing off the same and to advance money and to enter into contracts*

and agreements of all lands with builders, tenants, occupiers, either in India to purchase, sell, deal inlands, estates, houses or other landed properties of any tenure whether freehold, leasehold or otherwise and to act as Promoters, Organizers and Developers of land, estates, property, Co-op Housing Societies, Residential housing schemes, Shopping Centers, Commercial Complex, Farm Houses, Holiday Resorts, Hotels, Swimming Pools, Amusement Parks and to deals with and improve such properties either as owner or as agents and to join with any other person, partnership firm or company in carrying the above objects.

- b. *To undertake construction and management of properties of any person or governmental authorities for the construction of buildings of all descriptions, roads, bridges, earthwork, sewers, tanks, drain culverts, channels, sewerage or other works or things that may be necessary or convenient for any of the objects of the Company and to carry on the business in India as architects, designers, draughts men, decorators, surveyors, estate agents, town planners, Coordinators, civil engineers, constructional engineers, furnishers, structural engineers, estate agents and land brokers.*
- (iv) Since incorporation, there has been no change in the objects clause of the Resulting Company.
- (v) The Resulting Company is incorporated to be in the business of Development of Real Estate projects.
- (vi) The Share Capital of the Resulting Company as on March 31, 2023 was as follows:

Particulars	Amount in INR
Authorised share capital	
10,000 Equity shares of INR 10/- each	1,00,000
TOTAL	1,00,000
Issued, subscribed and paid-up share capital	
10,000 Equity shares of INR 10/- each fully paid up	1,00,000
TOTAL	1,00,000

Subsequent to the above, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Resulting Company.

- (vii) The unaudited provisional financial statement of the Resulting Company as on December 31, 2023 is appended as 'Annexure III'.
- (viii) The details of Promoters and Directors of the Resulting Company as on March 31, 2023 along with their addresses are mentioned herein below:

Promoter / Promoter Group details		
Name	Category	Address
Puranik Builders Limited	Promoter	Puranik One, Near Kanchanpushpa Complex, Opp. Suraj Water Park, Kavesar, Ghodbunder Road, Thane (West), Thane – 400 615, Maharashtra, India

Details of Directors		
Name	Designation	Address
Mr. Shailesh Puranik	Director	171 / 172, Sharmishtha - 2, 17th Floor, Tarangan, Cadbury Compound, Thane - 400 602, Maharashtra, India
Mr. Shrikant Puranik	Director	142, Sharmishtha Tower, Tarangan Complex, Samata Nagar, Thane - 400 606, Maharashtra, India

V. SALIENT FEATURES OF THE SCHEME

The salient features of the Scheme, *inter alia*, are as stated below. The capitalized terms used herein shall have the same meaning as ascribed to them in Clause A (1) of the Scheme.

- The Scheme provides for demerger, transfer and vesting of the Demerged Undertaking (*as defined in the Scheme*) from the Demerged Company into the Resulting Company on a going concern basis, the consequent issues of shares by the Resulting Company. The scheme also provides for various other matters consequent and incidental thereto.
- The 'Appointed Date' of the Scheme shall be April 1, 2023 or such other date as may be fixed by the National Company Law Tribunal and 'Effective Date' means the day on which the last of the approvals / conditions specified in Clause 19 (*Conditions Precedent*) of the Scheme are obtained or complied with; and
- The Scheme, as may be approved or imposed or directed by the Tribunal shall become effective from the Appointed Date but shall be operative from the Effective Date.
- Consideration / share entitlement ratio for demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company:

The Resulting Company shall, issue and allot, on a proportionate basis to the shareholders of the Demerged Company whose name is recorded in the register of members and records of the depository as members of the Company as on the Record Date, as under:

Consideration to the Equity Shareholders of the Demerged Company:

“289 (Two hundred and forty-seven) fully paid Non-Cumulative Redeemable Preference share of INR 10/- (Indian Rupees Ten) each in PCRPL for every 10,000 (Ten Thousand) fully paid Equity Share of INR 10/- (Indian Rupees Ten) each held in PBL” in proportion of their holdings in the Demerged Company as on the Effective Date. ”

Consideration to the Preference Shareholders of the Demerged Company:

“1 (One) fully paid 1% Non-Cumulative Redeemable Preference share of INR 10/- (Indian Rupees Ten) each in PCRPL for every 100 (Hundred) 5% Redeemable Preference share of INR 10/- (Indian Rupees Ten) each held in PBL”.

Note: The above are the salient features of the Scheme. The Secured Creditors are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

VI. RELATIONSHIP SUBSISTING BETWEEN PARTIES TO THE SCHEME

The Resulting Company is the wholly owned subsidiary of the Demerged Company.

VII. BOARD APPROVALS

- A. The Board of Directors of the Company at its Meeting held on August 29, 2023 unanimously approved the Scheme, as given below:

Name of Director	Voted in favour/ against/ did not participate or vote
Mr. Shailesh Puranik	In favour
Mr. Shrikant Puranik	In favour
Mr. Yogesh Puranik	In favour
Mr. Nilesh Puranik	In favour
Mr. Amol Shimpi	In favour
Dr. Shailendra Maheshwari	In favour
Ms. Sneha Khandekar	In favour
Mr. Jayant Raju Avaral	In favour

- B. The Board of Directors of the Resulting Company at its Meeting held on August 29, 2023 unanimously approved the Scheme, as given below:

Name of Director	Voted in favour/ against/ did not participate or vote
Mr. Shailesh Puranik	In favour
Mr. Shrikant Puranik	In favour

VIII. INTEREST OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMPS) AND THEIR RELATIVES

None of the Directors, KMPs of the Company and their respective relatives (as defined under the Act and rules framed thereunder) has any interest in the Scheme except to the extent of their shareholding in the Company, if any. Save as aforesaid, none of the said Directors or the KMPs or their respective relatives has any material interest in the Scheme.

None of the Directors, KMPs of the Resulting Company and their respective relatives (as defined under the Act and rules framed thereunder) has any interest in the Scheme except to the extent of their shareholding in the Company, if any. Save as aforesaid, none of the said Directors or the KMPs or their respective relatives has any material interest in the Scheme. The Resulting Company has not issued any debentures and hence, does not have Debenture Trustee.

IX. EFFECT OF SCHEME ON STAKEHOLDERS

The effect of the Scheme on various stakeholders is summarised below:

Shareholders, Key Managerial Personnel, Promoter and Non-Promoter Shareholders

The effect of the Scheme on the shareholders, key managerial personnel, promoter and non-promoter shareholders of the Company and the Resulting Company are appended in the attached reports i.e. 'Annexure IV and Annexure V', respectively, adopted by the respective Board of Directors of the Company and the Resulting Company, respectively, at their meeting held on August 29, 2023 pursuant to the provisions of Section 232(2)(c) of the Act.

Directors

No change in the Board of Directors of the Company and the Resulting Company is envisaged pursuant to the Scheme.

Employees

Pursuant to the Scheme, all employees of the Demerged Company pertaining to the Demerged Undertaking shall become employees of the Resulting Company, without any interruption in service, on terms and conditions no less favourable than those on which they are engaged by the Demerged Company.

Creditors

Pursuant to the Scheme, all creditors of the Demerged Company pertaining to the Demerged Undertaking will become creditors of the Resulting Company.

The rights of the respective creditors of the Company and Resulting Company shall not be impacted pursuant to the Scheme and there will be no reduction in their claims on account

of the Scheme. There is no likelihood that the respective creditors of the Company and Resulting Company would be prejudiced in any manner as a result of the Scheme being sanctioned.

Debenture holders and Debenture Trustees

Under the Scheme, no arrangement is sought to be entered into between the Company and its debenture holders (either secured or unsecured). No rights of the debentures of the Company are being affected pursuant to the Scheme. The debenture trustee appointed for the different debenture holder shall continue to remain the debentures trustee(s). Thus, the debenture holders of the Company would in no way be affected by the Scheme.

The Resulting Company have not issued any debentures and accordingly have not appointed any debenture trustee(s).

Depositors and Deposit Trustees

The Company and the Resulting Company have not taken any deposits within the meaning of the Act and Rules framed thereunder and accordingly have not appointed any deposit trustee(s)

X. NO INVESTIGATION PROCEEDINGS

There are no proceedings pending under Sections 210 to 227 of the Act against the Company or the Resulting Company.

XI. AMOUNTS DUE TO SECURED & UNSECURED CREDITORS

The amount due to Secured creditors by the respective companies, as on January 31, 2024 is as follows:

Sr. No.	Particulars	Amount in INR
1	Puranik City Reserva Private Limited	NIL
2	Puranik Builders Limited	6,10,78,18,976/-

The amount due to Unsecured creditors by the respective companies, as on January 31, 2024 is as follows:

Sr. No.	Particulars	Amount in INR
1	Puranik City Reserva Private Limited	Nil
2	Puranik Builders Limited	1,66,13,35,222/-

XII. DETAILS OF CAPITAL OR DEBT RESTRUCTURING, IF ANY

The Scheme does not involve any debt restructuring and therefore the requirement to disclose details of debt restructuring is not applicable.

XIII. VALUATION REPORT

A copy of the share entitlement ratio report dated August 29, 2023 issued by M/s. BDO Valuation Advisory LLP, Registered Valuer (IBBI Registration No. IBBI/RV-E/02/2019/103) ("**Share Entitlement Ratio Report**"), in connection with the Scheme is appended as '**Annexure VI**'.

XIV. SHAREHOLDING PATTERN

A. The pre and post Scheme shareholding pattern of the Parties is as follows:

i. Demerged Company

The pre & post scheme equity shareholding pattern of the Demerged Company is as follows (based on shareholding data as on March 31, 2023):

Category of shareholder	Pre		Post	
	No. of shares	% of Holding	No. of shares	% of Holding
Promoter	5,76,48,207	100	5,76,48,207	100
Public	-	-	-	-
Custodian	-	-	-	-
Total	5,76,48,207	100	5,76,48,207	100

The pre & post scheme preference shareholding pattern of the Demerged Company is as follows (based on shareholding data as on March 31, 2023):

Category of shareholder	Pre		Post	
	No. of shares	% of Holding	No. of shares	% of Holding
Promoter	90,00,000	100	90,00,000	100
Public	-	-	-	-
Custodian	-	-	-	-
Total	90,00,000	100	90,00,000	100

ii. Resulting Company

The pre & post scheme equity shareholding pattern of the Resulting Company is as follows (based on shareholding data as on March 31, 2023):

Category of shareholder	Pre		Post	
	No. of shares	% of Holding	No. of shares	% of Holding
Promoter – Demerged Company	10,000	100	10,000	100

Public	-	-	-	-
Custodian	-	-	-	-
Total	10,000	100	10,000	100

The pre & post scheme preference shareholding pattern of the Resulting Company is as follows (based on shareholding data as on March 31, 2023):

Category of shareholder	Pre		Post	
	No. of shares	% of Holding	No. of shares	% of Holding
Promoter	-	-	17,56,033	100
Public	-	-	-	-
Custodian	-	-	-	-
Total	-	-	17,56,033	100

XV. AUDITORS CERTIFICATE ON CONFORMITY OF ACCOUNTING TREATMENT IN THE SCHEME WITH ACCOUNTING STANDARDS

The Statutory Auditors of the Company and the Resulting Company have confirmed that the accounting treatment in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013 and other Generally Accepted Accounting Principles in India. Copy of the statutory auditor are appended as 'Annexure VII' & 'Annexure VIII'.

XVI. A copy of the Scheme will be filed by the Company and the Resulting Company with the Registrar of Companies, Mumbai.

XVII. The notice of the Meeting along with the copy of the Scheme in the prescribed form, will be served on all concerned authorities in terms of the Tribunal Order. Copy of the Tribunal order is appended as 'Annexure IX'.

XVIII. All approvals as stated in Clause 19 (Conditionality Precedent of the Scheme) of the Scheme, in order to give effect to the Scheme will be obtained. Additionally, the company and the Resulting company will obtain such approvals / sanctions / no objection(s) from the regulatory or other governmental authorities in respect of the scheme in accordance with law, as may be required.

XIX. INSPECTION OF DOCUMENTS

Inspection of the following documents may be had at the registered office of the Company situated at Puranik One, Near Kanchanpushpa Complex, Opp. Suraj Water Park, Kavesar, Ghodbunder Road, Thane (West), Thane – 400 615, Maharashtra, India, during normal business hours on working days prior to the date of the meeting:

- Copy of the Tribunal Order dated February 07, 2024;
- Memorandum and Articles of Association of the Company and the Resulting Company
- Audited Financial Statements of the Company for the year ended March 31, 2023;

- (d) Unaudited Financial Statement as on December 31, 2023 for the Demerged Company and the Resulting Company;
- (e) Copy of the Scheme
- (f) Copy of the Board Resolutions dated August 29, 2023 of the Company and the Resulting Company
- (g) Certificate of the Statutory Auditor of the Company and the Resulting Company confirming that the accounting treatment prescribed under the Scheme is in compliance with Section 133 of the Act and other Generally Accepted Accounting Principles in India.

Based on the above and considering the rationale and benefits, in the opinion of the Board, the Scheme will be of advantage to, beneficial and in the interest of the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable. The Board of Directors of the Company recommend the Scheme for approval of the Secured Creditors.

A copy of this Scheme, Statement, Form of Proxy and Attendance Slip may be obtained free of charge on any working day prior to the date of the meeting, from the registered office of the Company situated at Puranik One, Near Kanchanpushpa Complex, Opp. Suraj Water Park, Kavesar, Ghodbunder Road, Thane (West), Thane – 400 615, Maharashtra, India.

Thane, February 13, 2024

Sd/-
Ms. Neeru Sharma, DGM (Rtd.), SBI, Mumbai,
Chairperson appointed by the Tribunal for the Meeting

Registered office:

Puranik One, Near Kanchanpushpa Complex, Opp. Suraj Water Park,
Kavesar, Ghodbunder Road,
Thane (West), Thane – 400 615, Maharashtra, India
Telephone: 91-22-2598 8888

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Puranik Builders Limited

CIN: U99999MH1990PLC056451

Registered Office: Puranik One, Near Kanchanpushpa Complex, Opp. Suraj Water Park, Kavesar,
Ghodbunder Road, Thane (West), Thane – 400 615, Maharashtra, India

Telephone: 91-22-2598 8888

**Before the National Company Law Tribunal
Bench, at Mumbai**

In the matter of the Companies Act, 2013

AND

**IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN PURANIK BUILDERS LIMITED AND
PURANIK CITY RESERVA PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS ("SCHEME")**

AND

In the matter of Section 230 and other applicable provisions of the Companies Act, 2013

Puranik Builders Limited... **Company**

Name of the secured creditor: _____

Registered Address:

Email-Id: _____

I/ We being the secured creditor(s) of Puranik Builders Limited hereby appoint:

1) Name: _____

Address:

Email-ID: _____

Signature: _____

Or failing him / her / it

2) Name: _____

Address:

Email-ID: _____

Signature: _____

Or failing him / her / it

3) Name: _____

Address:

Email-ID: _____

Signature: _____

As my / our proxy and whose signature(s) are appended above to attend and vote (on Poll) for me/ us and on my/ our behalf at the Meeting of the Company to be held on Friday, March 22, 2024 at 11:00 a.m. (IST) at Board Room at Puranik One, Near Kanchanpushpa Complex, Opp. Suraj Water Park, Kavesar, Ghodbunder Road, Thane (West), Thane – 400 615, Maharashtra, India, and at any adjournment or adjournments thereof in respect of such resolutions and in such manner as are indicated below:

Sr. No.	Resolution	For	Against
1	APPROVAL FOR THE SCHEME OF ARRANGEMENT BETWEEN PURANIK BUILDERS LIMITED (“COMPANY” OR “DEMERGED COMPANY”) AND PURANIK CITY RESERVA PRIVATE LIMITED (“RESULTING COMPANY”) AND THEIR RESPECTIVE SHAREHOLDERS (“SCHEME”)		

Signed this _____ day of _____

Signature of secured creditor _____

Signature of Proxy holder(s) _____

Please
affix
Revenue
Stamp of
Re. 1

NOTES:

- 1) This Form of Proxy in order to be effective, should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2) Please affix revenue stamp before putting signature.
- 3) In case of any alterations made in the Form of Proxy, the alteration should be initialed.
- 4) In case of multiple proxies, the proxy later in time shall be accepted.
- 5) Proxy need not be the creditor of the Company.
- 6) Body Corporate secured creditor(s) would be required to deposit certified copies of board resolutions or power of attorney in original, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the registered office of Company at least 48 hours before the time of holding the Meeting.
- 7) This is only optional, please put a 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Puranik Builders Limited
CIN: U99999MH1990PLC056451
Registered Office: Puranik One, Near Kanchanpushpa Complex, Opp. Suraj Water Park, Kavesar,
Ghodbunder Road, Thane (West), Thane – 400 615, Maharashtra, India
Telephone: 91-22-2598 8888

ATTENDANCE SLIP

MEETING OF THE SECURED CREDITORS ON FRIDAY, MARCH 22, 2024 AT 11:00 A.M. (IST)
PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Name of Secured Creditor	
Address	
Name of the Proxy holders / Authorised Representative*	

* To be filled in by the Proxy in case he/she attends instead of the Secured Creditor.

I/We hereby record my/our presence at the Meeting of the Secured Creditors of the Company, convened on March 22, 2024 at 11:00 a.m. (IST) at Board Room at Puranik One, Near Kanchanpushpa Complex, Opp. Suraj Water Park, Kavesar, Ghodbunder Road, Thane (West), Thane – 400 615, Maharashtra, India pursuant to the Order dated February 07, 2024 of the Hon'ble Tribunal.

Secured Creditor / Proxy / Authorised Representative

NOTE:

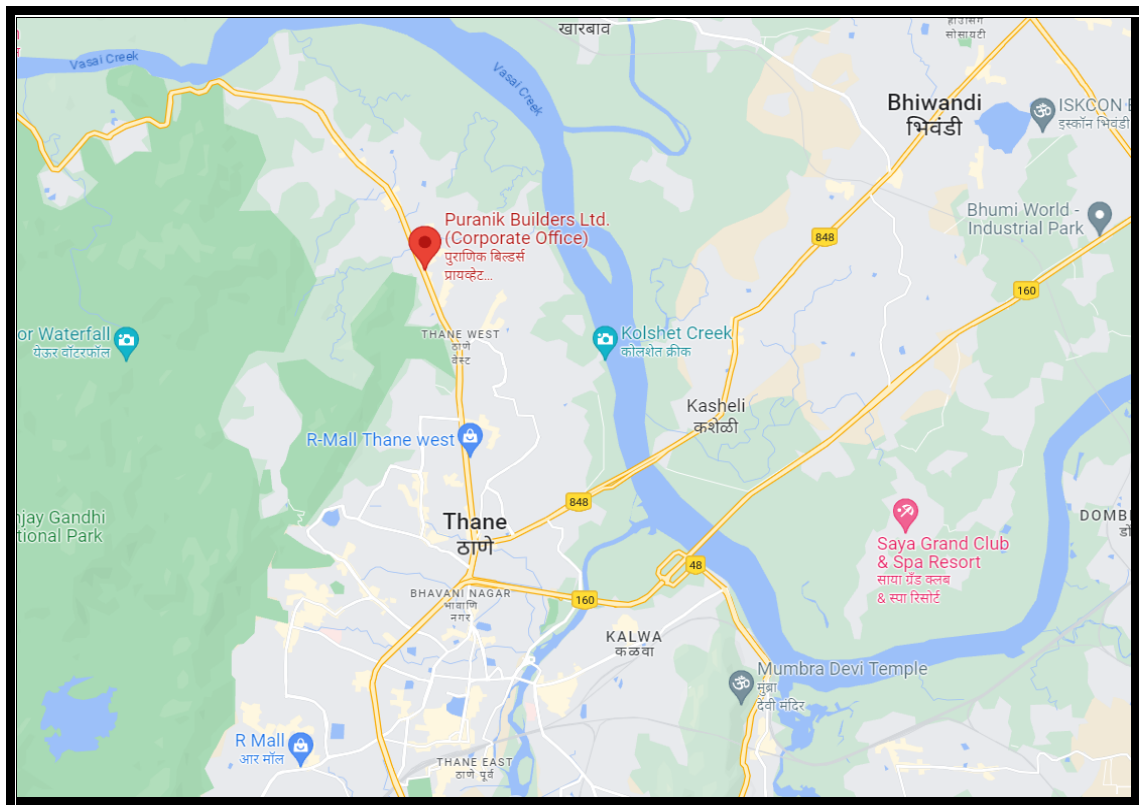
1. Secured Creditors attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the attendance slip with them and hand it over at the entrance of the Meeting hall.
2. Secured Creditors/proxy holder who desire to attend the meeting should bring his / her copy of the Notice for reference at the Meeting.
3. Secured Creditors are informed that no duplicate slips will be issued at the venue of the Meeting and they are requested to bring this slip for the Meeting.

If undelivered, return to:

Puranik Builders Limited

Puranik One, Near Kanchanpushpa Complex, Opp. Suraj Water Park, Kavesar, Ghodbunder Road, Thane (West), Thane – 400 615, Maharashtra, India
Telephone: 91-22-2598 8888

Map to the Meeting venue



SCHEME OF ARRANGEMENT
BETWEEN
PURANIK BUILDERS LIMITED
AND
PURANIK CITY RESERVA PRIVATE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS

[UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF
 THE COMPANIES ACT, 2013]

A. BACKGROUND OF THE COMPANIES

- (i) **PURANIK BUILDERS LIMITED** (hereinafter referred to as the “**PBL**” or “**Demerged Company**”) is a company incorporated under the provisions of the Companies Act, 1956 having its registered office at Puranik One, Near Kanchanpushpa Complex, Opp. Suraj Water Park, Kavesar, Ghodbunder Road, Thane (West), Thane – 400 615, Maharashtra, India and corporate identification number U99999MH1990PLC056451. The Demerged Company is engaged in the business of Development of Real Estate projects.
- (ii) **PURANIK CITY RESERVA PRIVATE LIMITED** (hereinafter referred to as the “**PCRPL**” or “**Resulting Company**”) is a company incorporated under the provisions of the Companies Act, 2013 having its registered office at M/S Puranik Builders Ltd. Puraniks One Kanchan Pushpa G.B.Road Kavesar Thane, Maharashtra, India 400615, and corporate identification number U70109MH2022PTC395624. The Resulting Company is incorporated to for the business of Development of Real Estate projects.

B. PREAMBLE

- (i) The Scheme of Arrangement (“*Scheme*”, as defined hereinafter) is presented pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Act (*defined hereinafter*), as may be applicable, and read with provisions of Section 2(19AA) and other relevant provisions of the Income-tax Act (*as defined hereinafter*) and provides for the demerger, transfer and vesting of the Demerged Undertaking (*as defined hereinafter*) from the Demerged Company (*as defined hereinafter*) into the Resulting Company (*as defined hereinafter*) on a going concern basis, the consequent issue of shares by the Resulting Company; and
- (ii) This Scheme also provides for various other matters consequent and incidental thereto.

C. RATIONALE FOR THE SCHEME

- a. The Demerged Company is engaged in development of various real estate projects. One of its project known as the Puranik City Reserva Project and its development rights vide the various development agreements including and in particular plots bearing C.T.S. Numbers as per Schedule I, this project is contemplated to be demerged into PBL's WoS the Resulting Company on a going concern basis.
- b. It is proposed to hive-off the above project along with all assets, liabilities, employees etc. into Resulting Company such that it will result in focused approach to exploit the growth potential of the project. It will help in providing flexibility to raise capital and also to attract fresh set of investors / strategic partners to participate in the project.

D. PARTS OF THE SCHEME

The Scheme is divided into the following parts:

- (i) **PART I** deals with the definitions of capitalized terms used in this Scheme, the details of the share capital of the Parties and date of taking effect and implementation of this Scheme;
- (ii) **Part II** deals with the transfer and vesting of the Demerged Undertaking from the Demerged Company as a going concern into the Resulting Company and discharge of consideration in lieu thereof;
- (iii) **PART III** deals with the general terms and conditions that would be applicable to this Scheme.

The demerger of the Demerged Undertaking from the Demerged Company into the Resulting Company under this Scheme is in compliance with the definition of "demerger" as per Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of this part of the Scheme is/are inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961, the provisions of Section 2 (19AA) of the Income-tax Act, 1961 shall prevail and this part of the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) of the Income-tax Act, 1961; such modification to not affect other parts of the Scheme.

PART - I

DEFINITIONS, SHARE CAPITAL AND DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context thereof: (i) capitalised terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; (ii) all terms and words not defined in this Scheme shall have the meaning ascribed to them under the relevant Applicable Law (as defined hereinafter); and (iii) the following expressions shall have the meanings ascribed hereunder:

- 1.1 **“Act”** means the Companies Act, 2013;
- 1.2 **“Applicable Law”** means any applicable central, provincial, local or other law including all applicable provisions of all: (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Parties; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties as may be in force from time to time;
- 1.3 **“Appointed Date”** means 1st April 2023 or such other date as may be decided by the Board of the Parties and approved by the Tribunal or as directed or imposed by the Tribunal;
- 1.4 **“Appropriate Authority”** means:
- (a) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, tribunal, central bank, commission or other authority thereof;
 - (b) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities; and
 - (c) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing, exporting or other governmental or quasi-governmental authority.

- 1.5 **“Board”** in relation to the Parties, means the board of directors of such Party and shall include a committee of directors or any person authorized by such board of directors or such committee of directors duly constituted and authorized for the purposes of matters pertaining to this Scheme or any other matter relating thereto;
- 1.6 **“Demerged Company”** means **PURANIK BUILDERS LIMITED** (CIN: U99999MH1990PLC056451), a company incorporated under the Companies Act, 1956 and having its registered office at Puranik One, Near Kanchanpushpa Complex, Opp. Suraj Water Park, Kavesar, Ghodbunder Road, Thane (West), Thane – 400 615, Maharashtra, India;
- 1.7 **“Demerged Undertaking” or “Puranik City Reserva Project”** shall mean that project of the Demerged Company for development of the commercial office space / residential project / other project, on a going concern basis and shall include (without limitation):
- 1.7.1 All the assets, properties, contracts, agreements, rights, titles, interests, claims and benefits of the Demerged Undertaking of the Demerged Company as on the Appointed Date;
- 1.7.2 All the debts, liabilities, duties and obligations, to the extent mentioned herein, of and attributable to the Demerged Undertaking of Demerged Company including its contingent liabilities as on the Appointed Date;
- 1.7.3 Without prejudice to the generality of sub-clause 1.7.1 above, the Demerged Undertaking of the Demerged Company shall include all development rights vide the various development agreements including and in particular plots bearing C.T.S. Numbers as per Schedule I, including right and entitlement to acquire and utilize, in such proportion as may be agreed by the Demerged Company, additional TDR, Fungible FSI, Premium FSI and / or any other form of FSI required for development of the commercial project / residential project / other project on the part of the Project Land, and other assets in relation to and for the purposes of the Demerged Undertaking;
- 1.7.4 the leasehold rights, any other properties whether real, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, licenses, contracts (including contracts entered into with Principle Architect, Local Architect, Liaison Consultant, and Shell and Core contractor), Development Agreement(s),

Memorandum of Understanding, entered into with potential buyer, joint venture partner or investor, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, leasehold rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, intangibles, permits, authorizations, copyrights, designs, and other rights of any nature whatsoever including designs, know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever;

- 1.7.5 provisions, funds, and benefits of all contracts, all agreements including developments agreement(s), leasing agreements, arrangements, deposits, advances, recoverable and receivables, whether from Government, semi-Government, local authorities or any other person including customers, contractors or other counter parties; and any registration or approval obtained from any authorities including but not limited to approval from any Industrial Development Corporation, no objection certificate issued by Chief Fire officer, no objection certificate issued by Executive Engineer Traffic and Co-ordination, Environment Clearance Certificate issued by any competent authority, Layout approvals and Title Clearance Certificate issued by any Competent Authority, all rights and/ or titles and / or interest in properties by virtue of any court decree or order, all records, files, papers, contracts, Intimation Of Disapproval (IOD), Approved Building Plan and any amendments thereto, Commencement Certificate, Occupation Certificate, Development Right Certificate (DRC), No Objection Certificate from any authorities, including the Slum Rehabilitation Authorities, competent authority under Competition Act, 2002, Mumbai Metropolitan Regional Development Authority, Competent authority under the Urban Land Ceiling Act, 1976, Thane Municipal Corporation, The Unified Development Control and Promotion Regulations (UDCPR), and all other rights, title, interest, contracts including Development Agreements, Conveyances, Agreement for Sale etc. consent, approvals or powers of every kind and description, agreements, no objection certificates, exemptions, concessions, certificates, subsidies, liberties and advantages including those relating to privileges, power, facilities of every kind and description of whatsoever

nature and benefits thereto that pertain exclusively to the Demerged Undertaking .;

- 1.7.6 all earnest monies and/or security deposits and/or retention monies or other entitlements, privileges, liberties, easements, advantages, benefits, exemptions and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source etc., unutilised deposits or credits, benefits under the Service Tax, GST law, Excise Duty, Octroi, Service Tax, Excise Duty, Octroi, GST set off, right to avail credit of the stamp duty already paid on the Immovable properties in respect of which the Demerged Company have executed an Agreement to sell or lease or Development Agreement or similar agreement has been executed by the Demerged Company with the land owners and which Agreements have been duly stamped, unutilized deposits or credits, benefits of any unutilized MODVAT/CENVAT/Service tax credits/ Excise Duty credits/ Octroi credits / GST credits, etc.) and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Demerged Company as on the Appointed Date; and
- 1.7.7 all employees, staff and workmen, engaged in the Demerged Undertaking.

For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking will include:

- (a) The liabilities which arise out of the activities or operations of the Demerged Undertaking;
- (b) Specific loans and borrowings raised, incurred and utilised solely for the activities or operation of the Demerged Undertaking; and
- (c) Liabilities other than those referred to above, being the amounts of general or multipurpose borrowings of Demerged Company, allocated to the Demerged Undertaking in the same proportion in which the value of the assets transferred to the Resulting Company under part II of this Scheme bear to the total value of the assets of Demerged Company immediately before giving effect to this Scheme.

Further, the Board of Directors of Demerged Company and Resulting Company may mutually agree and determine the appropriate allocation of asset and liability

for the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking.

- 1.8 **“Effective Date”** means the day on which the last of the approvals / conditions specified in Clause 19 (Conditions Precedent) of this Scheme are obtained or complied with;
- 1.9 **“Encumbrance”** means (i) any charge, lien (statutory or otherwise), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (ii) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, transfer, receipt of income or exercise; or (iii) any hypothecation, title retention, restriction, power of sale or other preferential arrangement; or (iv) any agreement to create any of the above; and the term **“Encumber”** shall be construed accordingly;
- 1.10 **“FSI”** shall mean floor space index as defined in the Development Control Regulations for Greater Mumbai, 1991, Development Control and Promotion Regulation 2034 and all statutory modifications and amendments thereto and reenactments thereof.
- 1.11 **“Income-tax Act”** means the Income-tax Act, 1961 and will include any statutory modifications, re-enactment or amendment thereof for the time being in force;
- 1.12 **“Parties”** means collectively, Demerged Company and the Resulting Company and **“Party”** shall mean each of them, individually;
- 1.13 **“Permits”** means all consents, licences, permits, certificates, permissions, authorisations, rights (including rights to use any immovable properties, contractual or otherwise), clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory, regulatory or otherwise as required under Applicable Law;
- 1.14 **“Person”** means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;
- 1.15 **“Redeemable Preference Shares” or “RPS”** means aggregate all the preference shares issued as consideration for demerger by the Resulting Company to the shareholders of the Demerged Company pursuant to clause 6 of the Scheme. The

RPS issued would be redeemable after a period of 5 years from the date issuance and shall carry a coupon rate of 1% pa. These share will be non-cumulative.

- 1.16 **“Remaining Business of Demerged Company”** means all the business, units, divisions, undertakings, and assets and liabilities of the Demerged Company other than those forming part of the Demerged Undertaking;
- 1.17 **“Resulting Company”** means **PURANIK CITY RESERVA PRIVATE LIMITED** (CIN: U70109MH2022PTC395624), a company incorporated under the Companies Act, 2013 and having its registered office at M/S Puranik Builders Ltd. Puraniks One Kanchan Pushpa G.B.Road Kavesar Thane, Maharashtra, India 400615;
- 1.18 **“Resulting Company Preference Shares”** means redeemable preference shares issued by Resulting Company as per terms provided in Schedule 2;
- 1.19 **“RoC”** means the Registrar of Companies having jurisdiction over the Parties;
- 1.20 **“Scheme”** or **“this Scheme”** means this scheme of arrangement, as modified from time to time;
- 1.21 **“Taxation”** or **“Tax”** or **“Taxes”** means all forms of direct and indirect taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value, goods and service or otherwise and shall further include payments in respect of or on account of tax, whether by way of deduction at source, collection at source, advance tax, minimum alternate tax, goods and services tax or otherwise or attributable directly or primarily to the respective Parties, or any other Person and all penalties, charges, costs and interest relating thereto;
- 1.22 **“TDR”** means Transferable Development Rights as defined in the Development Control Regulations for Greater Mumbai, 1991, Development Control and Promotion Regulation 2034 and all statutory modifications and amendments thereto and re-enactments thereof;
- 1.23 **“the Project Land”** shall mean approximately **47338** Square meters of land parcel as per detailed given in Schedule I to be used by Puranik City Reserva Project of Demerged Company; and

1.24 “**Tribunal**” means the relevant bench of the National Company Law Tribunal having jurisdiction over the Parties and include Appellate Tribunal(s).

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulation Act, 2013, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

2. In this Scheme, unless the context otherwise requires:
- 2.1 words denoting the singular shall include the plural and *vice versa*;
 - 2.2 reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to a legal provision shall include any subordinate legislation made from time to time under such a statutory provision;
 - 2.3 any Person includes that Person’s legal heirs, administrators, executors, liquidators, successors, successors-in-interest and permitted assigns, as the case may be;
 - 2.4 headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the same; and
 - 2.5 the words “include” and “including” are to be construed without limitation.

3. **SHARE CAPITAL**

3.1 The share capital of the Demerged Company as on March 31, 2023 is as under:

Particulars	INR
<u>Authorized Capital</u>	
10,60,00,000 Equity Shares of INR 10/- each	106,00,00,000
90,00,000 5% Redeemable Non-Convertible Preference Shares of INR 10/- each	9,00,00,000
TOTAL	115,00,00,000
<u>Issued, Subscribed and Paid-up Capital</u>	
5,76,48,207 Equity Shares of INR 10/- each fully paid up	57,64,82,070
90,00,000 5% Redeemable Non-Convertible Preference Shares of Rs.10/- each fully paid up	9,00,00,000
TOTAL	66,64,82,070

Subsequent to the aforesaid date, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Demerged Company until the date of approval of the Scheme by the Board of the Demerged Company.

3.2 The share capital of Resulting Company as on March 31, 2023 is as under:

Particulars	INR
<u>Authorised Capital</u>	
10,000 Equity shares of INR 10 each	1,00,000
TOTAL	1,00,000
<u>Issued, Subscribed and Paid-up Capital</u>	
10,000 Equity shares of INR 10 each fully paid up	1,00,000
TOTAL	1,00,000

Subsequent to the aforesaid date, there has been no change in the authorized, issued, subscribed and paid-up share capital of the Resulting Company until the date of approval of the Scheme by the Board of the Resulting Company.

4. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

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

PART – II

DEMERGER OF DEMERGED UNDERTAKING OF DEMERGED COMPANY INTO RESULTING COMPANY

5. TRANSFER AND VESTING OF DEMERGED UNDERTAKING OF THE DEMERGED COMPANY INTO THE RESULTING COMPANY

- 5.1. Upon coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Undertaking shall, pursuant to the provisions of Sections 230 to 232 Companies Act, 2013, without any further act, deed, matter or thing, be and stand demerged from the Demerged Company and transferred to and vested in and shall be deemed to be transferred to and vested in the Resulting Company on a going concern basis in the manner described hereunder.
- 5.2. Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire business and whole of the Demerged Undertaking of the Demerged Company as defined under Clause 1.7 above

including all its respective properties and assets of every description, all the debts, debentures, liabilities, duties and obligations of every description of the Demerged Undertaking of the Demerged Company and also including, without limitation, the FSI, TDR, right to load FSI and such assets of the Demerged Undertaking of the Demerged Company comprising amongst others business licenses, 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, advance and other taxes paid to the authorities, copy rights, lease, tenancy rights, statutory permissions, consents and registrations or approvals obtained from any authorities in relation to the commercial project / residential project / other project including but not limited to approval from any Industrial Development Corporation, Chief Fire Officer, Executive Engineer Traffic and Coordination, Environment Clearance Certificate, Title Clearance Certificate issued by any Competent Authority, all rights and /or titles and /or interest in properties by virtue of any court decree or order, all records, files, papers, contracts, Intimation Of Disapproval (IOD), Approved Building Plan and any amendments thereto, Commencement Certificate, Occupation Certificate, Development Right Certificate (DRC), No Objection Certificate from any authorities, including the Slum Rehabilitation authorities, competent authority under Monopolistic and Restrictive Trade Practices Act, 1969, Thane Municipal Corporation, The Unified Development Control and Promotion Regulations (UDCPR), Mumbai Metropolitan Regional Development Authority, Competent authority under the Urban Land Ceiling Act, 1976, lease, tenancy rights, letter of intents, permissions, benefits under income tax, service tax / GST / octroy/ excise duty and / or any other statues, incentives if any and all other rights, title, interest, contracts including Development Agreements, Conveyances, Agreement for Sale, Lease etc, consent, approvals or powers of every kind and description, agreements shall, pursuant to the Order of the Tribunal and pursuant to provisions of Sections 230 to 232 and other applicable provisions of the Act and without further act, instrument or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Resulting Company on a going concern basis so as to become the assets and liabilities of the Resulting Company. It will be the responsibility of the Demerged Company to make available to the Resulting Company, as and when requested, its right and entitlement relating to base FSI required for the development of the commercial project / residential project / other project as referred in Clause 1.7.3 of this Scheme. The Demerged Company shall provide its co-operation and all the co-operation to the Resulting Company for acquiring the additional FSI and TDR referred in clause 1.7.3 and the cost for acquisition of such additional FSI and

TDR shall be borne by the Resulting Company. The mutation / substitution of title and interest in immovable properties relating to the Demerged Undertaking shall be transferred and duly recorded in the name of the Resulting Company, by the appropriate authorities pursuant to the sanction of the Scheme by the Tribunal, without requiring execution of any deed or instrument of conveyance for the transfer of the immovable properties. The Demerged Company shall take all steps to ensure that lawful possession, right, title and interest in such immovable properties relating to the Demerged Undertaking is given to the Resulting Company in accordance with the provisions of the Scheme.

- 5.3. In respect of all the movable assets of the Demerged Undertaking of the Demerged Company and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash on hand, shall be so transferred to the Resulting Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Resulting Company to the end and intent that the property and benefit therein passes to the Resulting Company with effect from the Appointed Date.
- 5.4. In respect of any assets of the Demerged Undertaking of the Demerged Company other than those mentioned in Clause 5.2 above, including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, the Demerged Company shall if so required by the Resulting Company may, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme between the Demerged Company and the Resulting Company under Section 232 of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Demerged Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realize the same stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 5.5. All Assets, rights , titles, interest and authorities acquired by the Demerged Company relating to the Demerged Undertaking from the Appointed Date till the Effective Date, shall also get transferred and vested to the Resulting Company, upon the Scheme becoming Effective, without any further act, deed, instrument.
- 5.6. With effect from the Appointed Date, all debts, debentures, liabilities, contingent liabilities, duties and obligations of the Demerged Undertaking of the Demerged

Company, as on the Appointed Date whether provided for or not in the books of accounts of the Demerged Company and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or upto the day of the Appointed Date shall from the Effective Date, without any further act or deed, be transferred or deemed to be transferred to and vested in and assumed by the Resulting Company pursuant to the provisions of Sections 230 to 232 of the Act, so as to become from the Appointed Date the liabilities of the Resulting Company on the same terms and conditions as were applicable to the Demerged Company.

- 5.7. All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and those created by the Demerged Company after the Appointed Date upto the Effective Date, over the assets of the Demerged Undertaking of the Demerged Company transferred to the Resulting Company shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Such securities, mortgages, charges, encumbrances or liens shall not relate or attach or extend to any of the other assets of the Resulting Company.
- 5.8. Pursuant to the coming into effect of this Scheme, the Resulting Company shall, if so required under any law or otherwise, execute deeds of confirmation, assignment or novation or other writings or arrangement with any party to any contracts, deeds, bonds, agreements, commitments, understandings, binding arrangements, licences, purchase orders and all other forms of engagements, arrangements and agreements in relation to the Demerged Undertaking and any offers, tenders or the like and other instruments of whatsoever nature relating to the Demerged Undertaking to which the Demerged Company is a party in order to give formal effect to the above provisions. The Resulting Company shall, be deemed to be authorized to execute any such writings, as referred to in this clause, on behalf of the Demerged Company relating to Demerged Undertaking to carry out or perform all such formalities or compliances referred to above on part of the Demerged Company.
- 5.9. With effect from the Appointed Date, all existing and future incentives, un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including and not limited to advance income tax and taxes deducted at source), indirect taxes, if any relating to the Demerged Undertaking to which the Demerged Company is entitled to shall be available to and vest in the Resulting Company. The Demerged Company and the Resulting Company shall be entitled, wherever necessary, to revise their

returns filed under various laws, as may be applicable, including returns filed under the Income-tax, Commercial Tax/ Trade Tax/ GST, and also, without limitation, the TDS/TCS certificates.

- 5.10. It is clarified that the Taxes paid by the Demerged Company relating to the period on or after the Appointed Date including by way of deduction at source, which pertains to the Demerged Undertaking, will be deemed to be the Taxes paid by the Resulting Company and the Resulting Company shall be entitled to claim credit for such Taxes deducted/paid against its Tax liabilities notwithstanding that the certificates/challans or other documents for payment of such taxes are in the name of the Demerged Company .
- 5.11. This Scheme has been drawn up to comply with the conditions relating to “Demerger” as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of this part of the Scheme is/are inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961, the provisions of Section 2 (19AA) of the Income-tax Act, 1961 shall prevail and this part of the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) of the Income-tax Act, 1961; such modification to not affect other parts of the Scheme.
- 5.12. Notwithstanding any provision to the contrary from the Effective Date and until the development rights, entitlements , liberties, special status and or any such ownership records are transferred, vested, recorded, effected and / or perfected, in the record of appropriate authority including the registrar, sub-registrar, in favour of the Resulting Company; the Resulting Company is deemed to carry on the business in the name of the Demerged Company under the relevant agreement, arrangement, contracts, deeds, license etc. as the case may be and the Resulting Company shall keep a record of all such transactions

6. ISSUE OF SHARES

- 6.1. Upon the coming into effect of this Scheme and in consideration for the transfer of and vesting of Demerged Undertaking of the Demerged Company into the Resulting Company, the Resulting Company shall issue and allot in its capital at par, credited as fully paid up, to the equity shareholders of the Demerged Company or their respective heirs, executors, administrators or other legal representatives or other successors in title, whose names appear in the Register of equity shareholders on the Effective Date as under:

“289 (Two hundred and eighty nine) fully paid Non-Cumulative Redeemable Preference share of INR 10/- (Indian Rupees Ten) each in PCRPL for every 10,000 (Ten Thousand) fully paid Equity Share of INR 10/- (Indian Rupees Ten) each held in PBL” in proportion of their holdings in the Demerged Company as on the Effective Date.

To the redeemable preference shareholders of the Demerged Company respective heirs, executors, administrators or other legal representatives or other successors in title, whose names appear in the Register of Preference Shareholders on the Effective Date as under:

“1 (One) fully paid 1% Non-Cumulative Redeemable Preference share of INR 10/- (Indian Rupees Ten) each in PCRPL for every 100 (Hundred) 5% Redeemable Preference share of INR 10/- (Indian Rupees Ten) each held in PBL”

The terms of such Resulting Company Preference Shares are defined in Schedule 2.

- 6.2. For issuance of Resulting Company Preference Shares by the Resulting Company under Clause 6.1 above, the fraction of shares, if any shall be ignored.
- 6.3. The Resulting Company Preference Shares to be issued to the shareholders of the Demerged Company as mentioned above in Clause 6.1 shall be subject to the Memorandum and Articles of Association of the Resulting Company;
- 6.4. Approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of Section 14, 55, 62 and the other relevant and applicable provisions of the Act and/or applicable provisions of any other law for the time being in force, for the re-classification of Authorised Capital, issue and allotment of Resulting Company Preference Shares by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.

7. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY AND THE RESULTING COMPANY UPON DEMERGER OF DEMERGED UNDERTAKING.

- 7.1. Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Demerged Company and Resulting Company shall give effect to the accounting treatment in its respective books of accounts in accordance with the applicable Indian accounting standards specified under section 133 of the Act

(including the accounting treatment in accordance with 'Pooling of Interest Method' laid down by Appendix C of IND AS 103 for Business combinations of entities under common control) read with applicable Rules or any other relevant or related requirements under the Act.

In the books of the Demerged Company

- 7.2. Upon the Scheme becoming effective, the Demerged Company shall reduce the book value of assets and liabilities pertaining to the Demerged Undertaking which are transferred to and vested in Resulting Company from the total book value of assets and liabilities appearing in its books as on Appointed Date;
- 7.3. The difference, if any, between the book value of assets and liabilities transferred to Resulting Company shall be transferred to reserves in accordance with the applicable accounting principles prescribed under Indian Accounting Standards or such other accounting principles as may be applicable under the Act
- 7.4. The inter-company balances between Demerged Company and Resulting Company relating to the demerged undertaking, if any, in the books of the account of the Demerged Company shall stand cancelled.

In the books of the Resulting Company

- 7.5. Upon the Scheme coming into effect, the Resulting Company shall record the assets and liabilities of the Demerged Undertaking at the same values as appearing in the books of the Demerged Company on the Appointed Date.
- 7.6. The Resulting Company shall credit to its preference share capital account, the face value of Resulting Company Preference Shares issued pursuant to Clause 6.1 of this Scheme.
- 7.7. The difference being the excess of the net asset value of the Demerged Undertaking transferred to the Resulting Company recorded as per clause 7.4 above, over the face value of preference shares issued as per Clause 6 would be recorded as Capital Reserve. Shortfall, if any, shall be recorded as Goodwill.
- 7.8. The inter-company balances between Demerged Company and Resulting Company relating to the demerged undertaking, if any, in the books of the account of the Demerged Company shall stand cancelled.

- 7.9. The identity of the reserves shall be preserved and shall appear in the financial statements of the Resulting Company in the same form in which they appeared in the financial statements of the Demerged Company pertaining to the Demerged Undertaking.

8. LEGAL PROCEEDINGS

- 8.1. If any suit, appeal or any other proceedings of whatever nature by or against the Demerged Company relating to the Demerged Undertaking is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of this demerger or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if the Scheme had not been made.
- 8.2. On and from the Effective Date, the Resulting Company shall, and may, if required, initiate, continue any legal proceedings in relation to the Demerged Undertaking.

9. CONTRACTS, DEEDS, ETC.

- 9.1. Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements, power of attorney, MOUs, commitments, understandings, binding arrangements, licences, purchase orders and all other forms of engagements, arrangements and agreements in relation to the Demerged Undertaking and any offers, tenders or the like and other instruments of whatsoever nature relating to Demerged Undertaking to which the Demerged Company is a party, or the benefit to which the Demerged Company may be eligible, subsisting or operative immediately on or before the Effective Date, of this Scheme entered into by the Demerged Company prior to the Appointed Date and which are in effect (in whole or in part) as at the Appointed Date in accordance with the terms and conditions thereof, and (ii) those which are not listed therein but entered into by the Demerged Company for the Demerged Undertaking between the Appointed Date and the Effective Date shall be in full force and effect against or in favor of the Resulting Company and may be enforced as fully and effectively as if instead of the Demerged Company, the Resulting Company had been a party or beneficiary thereto.
- 9.2. Further, without prejudice to the transfer and vesting of the Demerged Undertaking to and in the Resulting Company, the Resulting Company shall be deemed to be authorized to execute any such deeds, writings, assignment and/or

novations or enter into any arrangements, confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company, to give effect to the provisions of this Scheme or at any time after this Scheme becomes effective, if so required or becomes necessary. The contracts entered into by the Demerged Company pertaining to Demerged Undertaking till the Effective Date shall be vested in the Resulting Company and unless required under such contract, the Resulting Company would not be required to carry out assignment of such contracts with any party whatsoever. The Demerged Company undertakes that, to the extent required under any contracts executed by the Demerged Company, it shall obtain all consents required from any counterparties for transfer, assignment or novation of the contracts relevant for the Demerged Undertaking. The Demerged Company and the Resulting Company also undertake to intimate the counterparties to all the contracts executed by the Demerged Company in relation to the Demerged Undertaking about the demerger of the Demerged Undertaking into the Resulting Company.

- 9.3. It is hereby clarified that if any contracts, deeds, bonds, agreements, schemes, MOUs, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking to which the Demerged Company is a party, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company. To the extent permitted under the terms of such contracts, the Demerged Company shall subcontract the same to the Resulting Company. Further, the Demerged Company shall, at its cost and expense, provide such reasonable assistance as is requested by the Resulting Company to enable it, so far as possible, to make independent arrangements with the other party to such contract including introducing the Resulting Company to the relevant third party.
- 9.4. As a consequence of the demerger of the Demerged Undertaking into the Resulting Company in accordance with or pursuant to this Scheme, the recording of change in name in the records of the statutory or regulatory authorities from the Demerged Company to the Resulting Company, whether relating to any license, permit, approval or any other matter, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority.

10. STAFF, WORKMEN, AND EMPLOYEES

- 10.1. Upon the effectiveness of this Scheme and with effect from the Effective Date, the Resulting Company undertakes to engage, without any interruption in service, all employees of the Demerged Company in relation to the Demerged Undertaking, on terms and conditions no less favourable than those on which they are engaged by the Demerged Company. The Resulting Company undertakes to continue to abide by any agreement/ settlement or arrangement entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid employees or union representing them. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/ terminal benefits.
- 10.2. The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, as the case may be, will be transferred respectively to such provident fund, gratuity fund and superannuation funds nominated by the Resulting Company and/or such new provident fund, gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, by the Resulting Company.

11. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

- 11.1. With effect from the date of approval of the Scheme by the respective Boards of the Parties and up to and including the Effective Date:
- 11.1.1 The Demerged Company with respect to the Demerged Undertaking shall carry on their business with reasonable diligence and business prudence and in the same manner as the Demerged Company had been doing hitherto; and
- 11.1.2 The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which the Resulting Company may require to carry on the relevant business of the Demerged Company, and to give effect to the Scheme.
- 11.2. The Demerged Company (in relation to demerger of the Demerged Undertaking) with effect from Appointed Date and up to and including the Effective Date:

- 11.2.1 shall be deemed to have been carrying on and shall carry on the business and activities in relation to the Demerged Undertaking, and shall be deemed to have held and stood possessed of said undertaking and shall hold and stand possessed of the assets of the said undertaking for and on account of, and in trust for the Resulting Company;
- 11.2.2 all profits or income arising or accruing to the Demerged Company in relation to the Demerged Undertaking, and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, GST, securities transaction tax, taxes withheld/paid in a foreign country, etc.) or losses arising or incurred by the Demerged Company shall, for all purposes, be treated as and deemed to be the profits or income, taxes, losses of the Resulting Company; and
- 11.2.3 all loans raised and all liabilities and obligations incurred by the Demerged Company after the Appointed Date and prior to the Effective Date in relation to the Demerged Undertaking, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date shall also, without any further act, instrument or deed be and be deemed to become the debts, liabilities, duties and obligations of the Resulting Company.
- 11.3. For the purposes of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, the Resulting Company shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the demerger of the Demerged Undertaking, in accordance with the provisions of Sections 230 to 232 of the Act. The Resulting Company shall always be deemed to have been authorized to execute any pleadings, applications, forms etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all its obligations in relation to or applicable to all immovable properties including mutation and/or substitution of the ownership or the title to or interest in the immovable properties where applicable, which shall be made and duly recorded by the Appropriate Authorities in favour of the Resulting Company, pursuant to the sanction of this Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by the Resulting Company. It is clarified that the

Resulting Company shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/or substitution.

12. SAVING OF CONCLUDED TRANSACTIONS

Nothing in this Scheme shall affect any transaction or proceedings already concluded or liabilities incurred by the Demerged Company in relation to the Demerged Undertaking until the Appointed Date, to the end and intent that the Resulting Company shall accept and adopt all acts, deeds and things done and executed by the Demerged Company in respect thereto as done and executed on behalf of the Resulting Company.

PART - III

GENERAL CLAUSES, TERMS AND CONDITIONS

13. REMAINING BUSINESS OF THE DEMERGED COMPANY

- 13.1. All the assets, investments, liabilities and obligations of the Demerged Company, pertaining and in relation to the Remaining Business, shall continue to belong to and be vested in and be managed by the Demerged Company. With effect from the Effective Date, as the case may be, only the Demerged Company shall be liable to perform and discharge all liabilities and obligations in relation to the Remaining Business and the Resulting Company shall not have any liability or obligation in relation to the Remaining Business.
- 13.2. All legal, Tax and/or other proceedings by or against the Demerged Company under any statute, whether pending on the Effective Date, as the case may be, or which may be instituted at any time thereafter, and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced against the Demerged Company, as the case may be. The Resulting Company shall in no event be responsible or liable in relation to any such legal, Tax or other proceedings in relation to the Remaining Business.
- 13.3. If any of the Resulting Company is in receipt of any demand, claim, notice and/or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Remaining Business, the Resulting Company shall, in view of the transfer and vesting of the Demerged Undertaking, pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to substitute the Resulting Company, with the Demerged Company. However, if the

Resulting Company, is unable to get the Demerged Company so substituted in such proceedings, it shall defend the same or deal with such demand in accordance with the advice of the Demerged Company and at the cost of the Demerged Company and the latter shall reimburse the Resulting Company, against all liabilities and obligations incurred by or against the Resulting Company, in respect thereof.

14. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of this Scheme, the resolutions / power of attorney of / executed by the Demerged Company in relation to the Demerged Undertaking, as considered necessary by the Board of the Demerged Company in relation to the Demerged Undertaking, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting in favour of and be considered as resolutions and power of attorney passed/ executed by the respective Resulting Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Demerged Company, shall be added to the limits, if any, under like resolutions passed by the respective Resulting Company, and shall constitute the aggregate of the said limits in respective Resulting Company.

15. PROPERTY IN TRUST

Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, license, approval, permission, contract, agreement (including power purchase agreement(s), land use agreement(s), co-ordination agreement(s), implementation and support agreement(s)) and rights and benefits arising therefrom pertaining to the Demerged Undertaking, are transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the respective Resulting Company, the Resulting Company, is deemed to be authorized to enjoy such property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the relevant Parties, the Demerged Company, will continue to hold the property and/or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as the case may be, in trust for and on behalf of the respective Resulting Company.

16. FACILITATION PROVISIONS

- 16.1. Immediately upon the Scheme being effective, the Parties shall enter into agreements as may be necessary, *inter alia* in relation to use by the Parties of office space, infrastructure facilities, information technology services, security personnel, trademarks and other intellectual property rights, legal, administrative and other services, etc. on such terms and conditions that may be mutually agreed between them.
- 16.2. It is clarified that approval of the Scheme by the shareholders of the Parties under Sections 230 to 232 of the Act shall be deemed to have their approval under Section 188 and other applicable provisions of the Act and that no separate approval of the of the Board or audit committee or shareholders shall be required to be sought by the Parties.

17. APPLICATIONS / PETITIONS TO THE TRIBUNAL

- 17.1. The Parties shall dispatch, make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, under whose jurisdiction the registered offices of the respective Parties are situated, for sanction of this Scheme under the provisions of Applicable Law and shall apply for such approvals as may be required under Applicable Law.
- 17.2. The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Parties may require to own the assets and/or liabilities of the Demerged Undertaking, and to carry on the business of the Demerged Undertaking.

18. MODIFICATION / AMENDMENT TO THE SCHEME

- 18.1. On behalf of each of the Parties, the Board of the respective Parties acting themselves or through authorized Persons, may consent jointly but not individually, on behalf of all Persons concerned, to any modifications or amendments to this Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the Tribunal or any other Appropriate Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by all of them (i.e., the Boards of the Parties) and solve all difficulties that may arise for carrying out this Scheme and do all acts, deeds and things necessary for putting this Scheme into effect.
- 18.2. For the purposes of giving effect to this Scheme or to any modification hereof, the Boards of the Parties acting themselves or through authorized Persons may jointly

but not individually, give and are jointly authorized to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all Parties, in the same manner as if the same were specifically incorporated in this Scheme.

19. CONDITIONS PRECEDENT

19.1. The Scheme is conditional upon and subject to the following conditions precedent:

- (a) the Scheme being approved unanimously in number and value of such classes of persons including the respective members / shareholders and/or creditors of the Parties or desirable by the Board of any of the Parties or as may be directed by the Tribunal;
- (b) the sanction and order of the Tribunal, under Sections 230 to 232 of the Act being obtained by the Parties; and
- (c) certified/ authenticated copies of the Order of the Tribunal sanctioning the Scheme being filed with the RoC having jurisdiction over the Parties.

19.2. It is hereby clarified that submission of this Scheme to the Tribunal and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defenses that the respective Parties may have under or pursuant to all Applicable Laws.

19.3. On the approval of this Scheme by the shareholders and such other classes of Persons of the said Parties, if any, the shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the demerger, capital reduction set out in this Scheme, related matters and this Scheme itself.

20. NON-RECEIPT OF APPROVALS AND REVOCATION/WITHDRAWAL OF THIS SCHEME

20.1. The Parties acting jointly through their respective Boards shall each be at liberty to withdraw from this Scheme.

20.2. In the event of any of the sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Tribunal, and/or the order or orders not being passed as aforesaid on or before such date as may be agreed to by the Parties, this

Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/ or in connection with this Scheme.

- 20.3. In the event of revocation/withdrawal of the Scheme, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their respective shareholders or creditors or employees or any other Person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

21. COSTS, CHARGES AND EXPENSES

All other costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/ or incidental to the completion of this Scheme shall be borne by the Demerged Company only.

SCHEDULE – 1

Developments Rights in relation to the following land

Sr. No	S. No. / H. No.		Area in Square Meters As per Form 7/12	Village
	Old	New		
1	-	52/1	1850	Vadavali
2	-	53/1/B	660	Vadavali
3	-	53/2	3060	Vadavali
4	-	53/3	2450	Vadavali
5	-	53/4	780	Vadavali
6	-	53/5	250	Vadavali
7	-	54/1/B/1	8888	Vadavali
8	-	54/2	1530	Vadavali
9	-	54/3	1500	Vadavali
10	-	54/4	1870	Vadavali
11	-	55/1	2570	Vadavali
12	3(p)	67/1/C	3050	Mogharpada
13	3(p)	67/2	2700	Mogharpada
14	42/1	55/1/A	440	Mogharpada
15	42/1	55/1/C	4040	Mogharpada
16	42/1	55/1/D/1	150	Mogharpada
17	42/1	55/1/D/3	420	Mogharpada
18	42/1	55/1/G	4310	Mogharpada
19	17/p	1/(11)5/C	140	Mogharpada
20	17/p	1/(12)7/B	760	Mogharpada
21	17/p	1/(4)12/B	1860	Mogharpada
22	17/p	1/(5)13/B	1050	Mogharpada
23	-	55/6/A/1	1180	Vadavali
24	17/p	1/(9)10	1830	Mogharpada
Total			47338	

SCHEDULE – 2

The terms of issue of preference shares by the Resulting Company pursuant to the Scheme will be as under:

Annexure I

Instrument	Non-cumulative Redeemable Preference Shares
Dividend	1% per annum
Voting rights	No
Tenure	5 (Five) years
Face value	INR 10 per preference share
Issue Price	INR 10 per preference share
Redemption	<p>The Board of Directors of the Resulting Company can redeem the preference shares at any time after a period of 6(Six) months from the date of allotment, at face value of preference shares.</p> <p>The Resulting Company will be liable to pay the redemption amount of the preference shares along with dividend declared, if any, up to the date of Redemption (“Redemption Amount”).</p>

PURANIK BUILDERS LIMITED	
Provisional Standalone Balance Sheet as at December 31, 2023	
(Amount in Rupees)	
Particulars	As on December 31, 2023
ASSETS	
1 Non-current assets	
(a) Property, plant and equipments	3,32,55,014
(b) Capital Work in Progress	1,34,57,020
(c) Intangible assets	14,07,477
(d) Financial Assets	
(i) Investments	2,66,29,31,279
(ii) Other financial assets	3,42,79,507
(e) Deferred tax assets (net)	1,22,56,379
(f) Other non-current assets	-
	2,75,75,86,676
2 Current assets	
(a) Inventories	6,45,88,02,521
(b) Financial Assets	
(i) Current investments	3,57,48,242
(ii) Trade receivables	76,13,51,273
(iii) Cash and cash equivalents	1,32,47,826
(iv) Loans	18,88,08,037
(v) Other financial assets	10,81,09,629
(c) Other current assets	1,38,84,26,367
	8,95,44,93,895
TOTAL ASSETS	11,71,20,80,571
EQUITY AND LIABILITIES	
1 Equity	
(a) Equity share capital	57,64,82,070
(b) Other equity	2,45,75,77,437
	3,03,40,59,507
2 Non-current liabilities	
(a) Financial Liabilities	
(i) Long term borrowings	4,01,11,25,602
(ii) Trade Payables	-
(iii) Other financial liabilities	14,38,21,891
(b) Long term provisions	1,86,72,774
	4,17,36,20,267
3 Current liabilities	
(a) Financial Liabilities	
(i) Short term borrowings	2,15,65,10,963
(ii) Trade and other payables	66,13,44,705
(iii) Other financial liabilities	1,67,05,25,186
(b) Other current liabilities	27,68,403
(c) Short-term provisions	8,14,224
(d) Current tax liabilities (net)	1,24,37,316
	4,50,44,00,797
TOTAL EQUITIES & LIABILITIES	11,71,20,80,571
<p>For and on behalf of the Board Puranik Builders Limited</p> <p>SD/-</p> <p>Shailesh Puranik Director DIN : 00097987</p>	

PURANIK BUILDERS LIMITED

Provisional Standalone Statement of Profit and Loss Account

Particulars	For the period ended December 31, 2023
1 INCOME	
(a) Revenue from Operations	1,35,50,67,307
(b) Other Income	98,80,377
Total Revenue	1,36,49,47,684
2 EXPENSES	
(a) Operating cost	92,96,34,842
(b) Depreciation and Amortisation expense	25,02,980
(c) Employee benefit expenses	4,95,24,918
(d) Finance cost	30,60,84,707
(e) Other expenses	4,99,643
Total Expenses	1,28,82,47,091
3 Profit/(loss) before tax	7,67,00,593
4 Less: Tax Expense	
(a) Current Tax	1,45,67,793
(b) Deferred Tax	2,69,561
5 Profit/(loss) for the period	6,18,63,238
6 Other Comprehensive Income	
A (i) Items that will not be reclassified to profit or loss	
Remeasurements of Defined Benefit Plans	(43,02,481)
Less :- Income Tax relating to Items that will not be reclassified to Profit or Loss	10,82,848
Total Other Comprehensive Income	(32,19,633)
Total Comprehensive Income for the period (XIII+XIV) and other comprehensive income for the period)	5,86,43,605
7 Earnings per equity share (face value of Rs. 10)	
Basic (In Rs.)	1.07
Diluted (In Rs.)	1.07

For and on behalf of the Board
Puranik Builders Limited

SD/-

Shailesh Puranik
Director
DIN : 00097987

Puranik City Reserva Private Limited

Puraniks One, Kanchan Pushpa

G.B. Road, Kavesar, Thane (W)

CIN: U70109MH2022PTC395624

Balance Sheet

1-Apr-23 to 31-Dec-23

Liabilities		as at 31-Dec-23	Assets		as at 31-Dec-23
Capital Account		77,300.00	Current Assets		89,100.00
<i>Issued Sub. & Paid Up Capital (Equity Shares)</i>	<i>1,00,000.00</i>		Sundry Debtors	<i>(-)5,900.00</i>	
<i>Reserves & Surplus</i>	<i>(-)22,700.00</i>		Bank Accounts	<i>95,000.00</i>	
Current Liabilities		11,800.00			
Duties & Taxes	<i>(-)900.00</i>				
Sundry Creditors	<i>900.00</i>				
<i>Audit Fees Payable</i>	<i>11,800.00</i>				
Total		89,100.00	Total		89,100.00

Puranik City Reserva Private Limited

Puraniks One, Kanchan Pushpa

G.B. Road,Kavesar, Thane (W)

CIN: U70109MH2022PTC395624

Profit & Loss A/c

1-Apr-23 to 31-Dec-23

P a r t i c u l a r s	1-Apr-23 to 31-Dec-23	P a r t i c u l a r s	1-Apr-23 to 31-Dec-23
Indirect Expenses	8,500.00	Nett Loss	8,500.00
<i>Professional Fees</i>	<i>5,000.00</i>		
<i>ROC Fees</i>	<i>3,500.00</i>		
T o t a l	8,500.00	T o t a l	8,500.00

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF M/S. PURANIK BUILDERS LIMITED AT ITS MEETING HELD ON 29th DAY OF AUGUST 2023 EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO.

1. The Board of Directors of the Company vide their meeting held on August 29, 2023 have approved the draft Scheme of Arrangement of Puranik Builders Limited ('PBL' or 'the Demerged Company') AND Puranik City Reserva Private Limited ('PCRPL' or 'the Resulting Company'), ('the Scheme' or 'this Scheme') under Sections 230 – 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) and enabling clauses of the Memorandum of Association and Articles of Association of the Company and subject to the requisite approvals and sanction of the National Company Law Tribunal (NCLT) or such other competent authority as may be applicable and subject to the approval of shareholders and / or creditors and other classes of persons of the respective Company, Central Government, or such other competent authority as may be directed by the NCLT.
2. The Scheme is for transfer and vesting of Demerged Undertaking, Puranik City Reserva Project / division from the Company to its wholly owed subsidiary, Puranik City Reserva Private Limited.
3. Pursuant to provision Section 232(2)(c) of the Act, the Board is required to adopt a report explaining the effect of the arrangement on each class of shareholders, key managerial personnel ("KMPs"), promoters and non-promoter shareholders of the Company laying out in particular the share entitlement ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.
4. Having regard to the aforesaid provision, following was discussed by the Board of Directors:

The following documents were, *inter alia*, placed before the Board:

- i. Draft Scheme, duly initialed by the Director of the Company for the purpose of identification;
- ii. Copy of the Share Entitlement Ratio Report dated August 29, 2023 issued by M/s. BDO Valuation Advisory LLP, Registered Valuer (IBBI Registration No. IBBI/RV-E/02/2019/103), Registered Valuer ("**Share Entitlement Ratio Report**") duly initialed by the Director of the Company for the purpose of identification
- iii. Certificate dated August 29, 2023, issued by M/s. Sanjay Rane & Associates LLP, the Statutory Auditors of the Company, confirming the accounting treatment prescribed in the Scheme; and
- iv. Shareholding pattern of the Company;

5. Upon coming into effect of this Scheme and in consideration for the transfer of and vesting of Demerged Undertaking of the Demerged Company into the Resulting Company, the Resulting Company shall issue and allot in its capital at par, credited as fully paid up,
 - a. To the equity shareholders of the Demerged Company or their respective heirs, executors, administrators or other legal representatives or other successors in title, whose names appear in the Register of equity shareholders on the Effective Date as under:

“289 (Two hundred and forty-seven) fully paid Non-Cumulative Redeemable Preference share of INR 10/- (Indian Rupees Ten) each in PCRPL for every 10,000 (Ten Thousand) fully paid Equity Share of INR 10/- (Indian Rupees Ten) each held in PBL” in proportion of their holdings in the Demerged Company as on the Effective Date. ”
 - b. To the redeemable preference shareholders of the Demerged Company respective heirs, executors, administrators or other legal representatives or other successors in title, whose names appear in the Register of Preference Shareholders on the Effective Date as under:

“1 (One) fully paid 1% Non-Cumulative Redeemable Preference share of INR 10/- (Indian Rupees Ten) each in PCRPL for every 100 (Hundred) 5% Redeemable Preference share of INR 10/- (Indian Rupees Ten) each held in PBL ”
- The Registered Valuer have certified that the abovementioned consideration for the proposed Scheme, is fair.
6. The post arrangement net-worth of standalone PBL will be reduced by the value of the Demerged Undertaking which is transferred to and vested in Resulting Company and the Resulting Company shall record the value of the Demerged Undertaking at the same value as appearing in the books of the Demerged Company on the Appointed Date. Hence, there is no adverse effect of the Scheme on the Equity Shareholders of the Company, Preference Shareholders of the Company, the Promoter and Non-Promoter Shareholders, the Key Managerial Personnel and/or the Directors of the Company and the Secured and Unsecured Creditors of the Company.
7. In terms of the Scheme, the Resulting Company shall issue consideration, in form of NCRPS, to all the shareholders of the Demerged Company for transfer and vesting of the Demerged Undertaking of the Company with the Resulting Company. All shareholders belong to Promoter Group.

8. Further, no change in the Key Managerial Personnel (KMP) of the Company is expected pursuant to the Scheme becoming effective.

In view of the above, the Scheme would be in the best interest of all stakeholders of the Company.

For PURANIK BUILDERS LIMITED

SD/-

Shailesh Gopal Puranik

Managing Director

DIN No: 00097987

Place: Thane

Date: August 29, 2023

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF M/S. PURANIK CITY RESERVA PRIVATE LIMITED AT ITS MEETING HELD ON 29TH DAY OF AUGUST 2023 EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO.

1. The Board of Directors of the Company vide their meeting held on August 29, 2023 have approved the draft Scheme of Arrangement of Puranik Builders Limited ('PBL' or 'the Demerged Company') AND Puranik City Reserva Private Limited ('PCRPL' or 'the Resulting Company'), ('the Scheme' or 'this Scheme') under Sections 230 – 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) and enabling clauses of the Memorandum of Association and Articles of Association of the Company and subject to the requisite approvals and sanction of the National Company Law Tribunal (NCLT) or such other competent authority as may be applicable and subject to the approval of shareholders and / or creditors and other classes of persons of the respective Company, Central Government, or such other competent authority as may be directed by the NCLT.
2. The Scheme is for transfer and vesting of Demerged Undertaking, Puranik City Reserva Project / division from the Company to its wholly owed subsidiary, Puranik City Reserva Private Limited.
3. Pursuant to provision Section 232(2)(c) of the Act, the Board is required to adopt a report explaining the effect of the arrangement on each class of shareholders, key managerial personnel ("KMPs"), promoters and non-promoter shareholders of the Company laying out in particular the share entitlement ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.
4. Having regard to the aforesaid provision, following was discussed by the Board of Directors:

The following documents were, *inter alia*, placed before the Board:

- i. Draft Scheme, duly initialed by the Director of the Company for the purpose of identification;
- ii. Copy of the Share Entitlement Ratio Report dated August 29, 2023 issued by M/s. BDO Valuation Advisory LLP, Registered Valuer (IBBI Registration No. IBBI/RV-E/02/2019/103), Registered Valuer ("**Share Entitlement Ratio Report**") duly initialed by the Director of the Company for the purpose of identification
- iii. Certificate dated August 29, 2023, issued by M/s. VMD & Co., the Statutory Auditors of the Company, confirming the accounting treatment prescribed in the Scheme; and
- iv. Shareholding pattern of the Company;

5. Upon the coming into effect of this Scheme and in consideration for the transfer of and vesting of Demerged Undertaking of the Demerged Company into the Resulting Company, the Resulting Company shall issue and allot in its capital at par, credited as fully paid up,
 - a. To the equity shareholders of the Demerged Company or their respective heirs, executors, administrators or other legal representatives or other successors in title, whose names appear in the Register of equity shareholders on the Effective Date as under:

“289 (Two hundred and forty-seven) fully paid Non-Cumulative Redeemable Preference share of INR 10/- (Indian Rupees Ten) each in PCRPL for every 10,000 (Ten Thousand) fully paid Equity Share of INR 10/- (Indian Rupees Ten) each held in PBL” in proportion of their holdings in the Demerged Company as on the Effective Date. ”
 - b. To the redeemable preference shareholders of the Demerged Company respective heirs, executors, administrators or other legal representatives or other successors in title, whose names appear in the Register of Preference Shareholders on the Effective Date as under:

“1 (One) fully paid 1% Non-Cumulative Redeemable Preference share of INR 10/- (Indian Rupees Ten) each in PCRPL for every 100 (Hundred) 5% Redeemable Preference share of INR 10/- (Indian Rupees Ten) each held in PBL ”
- The Registered Valuer have certified that the abovementioned consideration for the proposed Scheme, is fair.
6. The post arrangement net-worth of standalone PBL will be reduced by the value of the Demerged Undertaking which is transferred to and vested in Resulting Company and the Resulting Company shall record the value of the Demerged Undertaking at the same value as appearing in the books of the Demerged Company on the Appointed Date. Hence, there is no adverse effect of the Scheme on the Equity Shareholders of the Company, Preference Shareholders of the Company, the Promoter and Non-Promoter Shareholders, the Key Managerial Personnel and/or the Directors of the Company and the Secured and Unsecured Creditors of the Company.
7. In terms of the Scheme, the Resulting Company shall issue consideration, in form of NCRPS, to all the shareholders of the Demerged Company for transfer and vesting of the Demerged Undertaking of the Company with the Resulting Company. All shareholders belong to Promoter Group.

8. Further, no change in the Key Managerial Personnel (KMP) of the Company is expected pursuant to the Scheme becoming effective.

In view of the above, the Scheme would be in the best interest of all stakeholders of the Company.

For PURANIK CITY RESERVA PRIVATE LIMITED

SD/-

Shailesh Gopal Puranik

Director

DIN No: 00097987

Place: Thane

Date: August 29, 2023



Fair Equity Share Entitlement Ratio Report

PURANIK BUILDERS LIMITED (DEMERGED COMPANY)
AND
PURANIK CITY RESERVA PRIVATE LIMITED
(RESULTING COMPANY)

August, 2023

Ref no: MG/Aug29-40A/2023

August 29, 2023

To
Board of Directors
Puranik Builders Limited
Puranik One, Near Kanchanpushpa Complex,
Opp. Suraj Water Park, Kavesar, Ghodbunder Road,
Thane (West), Thane - 400 615,

Board of Directors
Puranik City Reserva Private Limited
M/s Puranik Builders Limited
Puraniks One, Kanchan Pushpa, G.B. Road,
Kavesar, Thane, - 400615.

Dear Sir(s)/ Madam(s),

Sub: Recommendation of fair equity share entitlement ratio for the proposed demerger of Demerged Undertaking (as defined hereinafter) of Puranik Builders Limited ("PBL" or "Demerged Company") into Puranik City Reserva Private Limited ("PCRPL" or "Resulting Company") on a going concern basis pursuant to Scheme of Arrangement between PBL and PCRPL and their respective shareholders and creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('the Act').

We, BDO Valuation Advisory LLP ('BDO VAL' or 'We' or 'Us'), have been appointed vide Engagement Letter dated March 15, 2023 bearing reference No: MG/Mar152/2023 to recommend fair equity share entitlement ratio for the proposed demerger of the Demerged Undertaking (as defined hereinafter) of Puranik Builders Limited ("PBL" or "Demerged Company") into Puranik City Reserva Private Limited ("PCRPL" or "Resulting Company") on a going concern basis pursuant to Scheme of Arrangement between PBL and PCRPL and their respective shareholders and creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('the Scheme').

PBL and PCRPL shall hereinafter collectively be referred as 'the Companies'.



We are pleased to present herewith our report ('Report') on the same.

We have determined the fair share entitlement ratio for the equity shareholders of the Demerged Company w.r.t the proposed demerger as at February 28, 2023 ('Valuation Date'). A summary of the analysis is presented in the accompanying Report, as well as description of the methodology and procedure we used, and the factors we considered in formulating our opinion.

We believe that our analysis must be considered as a whole. Selecting portion of our analysis or the factors we considered, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

This letter should be read in conjunction with the attached Report.

For BDO Valuation Advisory LLP
IBBI Regn No.: IBBI/RV-E/02/2019/103



VRN Number: IOVRVF/BDO/2022-2023/1643

Name: Mandar Vikas Gadkari

Designation: Partner

IBBI Regn No.: IBBI/RV/06/2018/10500



Name: Akriti Bhatia

Designation: Partner

IBBI Regn No.: IBBI/RV/07/2019/11019

Encl: As Above

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1. Brief Background of the Companies

Puranik Builders Limited

- 1.1. Puranik Builders Limited (“Demerged Company” or “PBL”)(CIN: U99999MH1990PLC056451) is a company incorporated under the Companies Act, 1956 and has its registered office at Puranik One, Near Kanchanpushpa Complex, Opp. Suraj Water Park, Kavesar, Ghodbunder Road, Thane (West), Thane - 400 615, Maharashtra, India.
- 1.2. The Demerged Company is engaged in the business of development of real estate projects.
- 1.3. One of its projects - known as the City Reserva Project and its development rights vide various development agreements including and in particular plots bearing C.T.S. No. as per Schedule I of the Scheme, shall collectively be referred to as “Demerged Undertaking” or “City Reserva Project”. The same has been defined in detail in clause 1.7 of the Scheme.
- 1.4. The authorised, issued, subscribed and paid-up share capital of PBL as on February 28, 2023 is as under:

Particulars	Amount (INR)
<u>AUTHORISED SHARE CAPITAL</u>	
10,60,00,000 Equity Shares of INR 10/- each	106,00,00,000
90,00,000 5% Redeemable Non-Convertible Preference Shares of INR 10/- each	9,00,00,000
TOTAL	115,00,00,000
<u>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL</u>	
5,76,48,207 Equity Shares of INR 10/- each fully paid up	57,64,82,070
90,00,000 5% Redeemable Non-Convertible Preference Shares of Rs.10/- each fully paid up	9,00,00,000
TOTAL	66,64,82,070

- 1.5. We have been informed by the management of PBL that after the above date and till the date of this Report, there has been no change in the authorized, issued, subscribed and paid-up capital of the Demerged Company.
- 1.6. The shares of PBL are not listed on any stock exchanges.



Puranik City Reserva Private Limited

- 1.7. Puranik City Reserva Private Limited (“PCRPL” or “Resulting Company”) (CIN: U70109MH2022PTC395624) is a company incorporated under the Companies Act, 2013 and has its registered office at M/S Puranik Builders Ltd., Puraniks One, Kanchan Pushpa G.B.Road, Kavesar Thane - 400615, Maharashtra, India.
- 1.8. PCRPL is wholly owned subsidiary of PBL and is engaged in the business of development of real estate projects.
- 1.9. The authorised, issued, subscribed and paid-up share capital of PCRPL as on February 28, 2023 is as under:

Particulars	Amount (INR)
<u>AUTHORISED SHARE CAPITAL</u>	
10,000 Equity Shares of INR 10 each	100,000
Total	100,00
<u>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL</u>	
10,000 Equity Shares of INR 10/- each, fully paid up	1,00,000
Total	1,00,000

- 1.10. The shares of PCRPL are not listed on any stock exchanges.
- 1.11. We have been informed by the management of PCRPL that after the above date and till the date of this Report, there has been no change in the authorized, issued, subscribed and paid-up capital of the Resulting Company.

2. Purpose of Valuation

- 2.1. It is proposed to hive-off the City Reserva Project along with all assets, liabilities, employees etc. into Resulting Company (“Proposed Demerger”), such that it will result in focused approach to exploit the growth potential of the project. It will help in providing flexibility to raise capital and also to attract fresh set of investors / strategic partners to participate in the project.
- 2.2. The Resulting Company shall issue its Redeemable Preference Shares (“RPS”) as consideration for demerger to the equity and preference shareholders of the Demerged Company. We have been informed that based on the commercial understanding between the management of PCRPL and PBL, it is being decided to issue 90,000 RPS of face value Rs. 10 each of PCRPL to the current preference shareholders of PBL, to comply with the provisions of the Income-tax Act, 1961. Issuance of these shares would not materially impact the valuation / share entitlement ratio for

the equity shareholders of PBL. The RPS to be issued to the equity shareholders of PBL shall be based on independent valuation of the Demerged Undertaking.

- 2.3. Accordingly, to achieve the above objective, the Board of Directors of the Companies have decided to make requisite applications and/or petitions before the Ministry of Corporate Affairs, Government of India under Sections 230 to 232 of the Act and other applicable provisions for the sanction of the Scheme.
- 2.4. In this regard, we have been appointed to determine the fair share entitlement ratio for the equity shareholders of the Demerged Company w.r.t the Proposed Demerger as part of the Scheme.
- 2.5. Appointed Date for the Scheme is April 1, 2023 or such other date as may be decided by the Board of the Parties and approved by the National Company Law Tribunal (“Tribunal”) or as directed or imposed by the Tribunal.

3. Terms of Engagement

Context and Purpose

- 3.1. BDO Val has been appointed to determine the fair share entitlement ratio for the equity shareholders of the Demerged Company w.r.t the Proposed Demerger as mentioned in para 2.1 and 2.2 of this Report. This valuation exercise and Valuation Report are solely for the purpose mentioned in the Report.

Restricted Audience

- 3.2. This Report and the information contained herein are absolutely confidential and are intended for the use of the Companies only for submitting to the statutory authorities for compliance under sections 230 to 232 and other applicable provisions of the Act w.r.t the Scheme. The results of our valuation analysis and our Report cannot be used or relied by the Companies for any other purpose or by any other party for any purpose whatsoever.
- 3.3. This Report will be placed before the Board of Directors of PBL and PCRPL and intended only for their sole use and information only. To the extent mandatorily required under applicable laws of India, this Report maybe produced before judicial, regulatory or government authorities, in connection with the Proposed Demerger. We are not responsible to any other person or party, for any decision of such person or party based on this Report. Any person or party intending to provide finance/ invest in the shares/ business of PBL/ PCRPL or their holding companies, subsidiaries, associates, joint ventures shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than the Companies) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to BDO Val.



- 3.4. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this Report or any part thereof, except for the purpose as set out earlier in this Report, without our prior written consent, is not permitted, unless there is a statutory or a regulatory requirement to do so.
- 3.5. Without limiting the foregoing, we understand that the Companies may be required to share this Report with regulatory or judicial authorities including Regional Director, Registrar of Companies, Tribunal, professional advisors of the Companies in connection with the Proposed Demerger ('Permitted Recipients'). We hereby give consent for such disclosure of this Report, on the basis that we owe responsibility only to Company that has engaged us, under the terms of the engagement, and no other person; and that, to the fullest extent permitted by law, we accept no responsibility or liability to any other party, in connection with this Report. It is clarified that reference to this Report in any document and/or filing with Permitted Recipients, in connection with the Proposed Demerger, shall not be deemed to be an acceptance by us of any responsibility or liability to any person/ party other than the Companies.

4. Caveats, Limitations and Disclaimers

- 4.1. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.
- 4.2. This Report, its contents and the results herein are (i) specific to the purpose of valuation agreed as per the terms of our engagement; (ii) the Valuation Date and the Report Date and (iii) are based on the data detailed in the section - Sources of Information.
- 4.3. We were provided with sufficient information and time to make our opinion for this valuation exercise. However, our opinion may change if any material information is not disclosed / hidden from us during our valuation exercise.
- 4.4. The scope of the assignment did not include performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was used during the course of the work. Accordingly, we express no audit opinion or any other form of assurance on this information on behalf of the Companies. The assignment did not involve us to conduct the financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence or legal title search of the assets or liabilities of the Companies and have considered them at the value as disclosed by the Companies in their regulatory filings or in submissions, oral or written, made to us.
- 4.5. Further, this Report is based on the extant regulatory environment and the financial, economic, monetary and business/market conditions, and the information made available to us or used by us up to, the date hereof, which are dynamic in nature and may change in future, thereby impacting the valuation of the Companies. Subsequent developments in the aforementioned conditions may

affect this Report and the assumptions made in preparing this Report and we shall not be obliged to update, review or reaffirm this Report if the information provided to us changes. Further events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

- 4.6. We have no present or planned future interest in the Companies or any of their group companies.
- 4.7. The recommendation contained herein is not intended to represent value at any time other than the Valuation Date.
- 4.8. This Report is subject to the laws of India.
- 4.9. The fee for this engagement is not contingent upon the outcome of the Report.
- 4.10. In rendering this Report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof.
- 4.11. Any environmental due diligence or study is outside the scope of this engagement; therefore, no such due diligence or study has been carried out by us. We have assumed that the subject asset complies with all environmental laws and regulations.
- 4.12. Any matters related to legal title and ownership are outside the purview and scope of this valuation exercise. Further, no legal advice regarding the title and ownership of the asset has been obtained while conducting this valuation exercise. Valuation may be significantly influenced by adverse legal, title or ownership, encumbrance issues.
- 4.13. For land and project details such as location, land areas, utility, development status and others we have relied upon the information shared by PBL. We have not verified accuracy of the same by any means.
- 4.14. Valuation is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is therefore no indisputable single value. While we have provided an assessment of the value based on an analysis of information available to us and within the scope of our engagement, others may place a different value on this business.
- 4.15. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations taking into consideration the economic, social and market patterns existing at that point in time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.



- 4.16. This Report is based on the information received from the sources mentioned herein and discussions with the representatives of the Companies. We have assumed that no information has been withheld that could have influenced the purpose of our Report.
- 4.17. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us, we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the Companies. Nothing has come to our knowledge to indicate that the material provided to us was mis-stated or incorrect or would not afford reasonable grounds upon which to base our Report.
- 4.18. During the course of our work, we have relied upon the information and documents made available by the management and representatives of the Companies. Though we have reviewed it, we have not independently verified the same.
- 4.19. For the present valuation exercise, we have also relied upon information available in the public domain; however, the accuracy and timeliness of the same has not been independently verified by us.
- 4.20. In addition, we do not take any responsibility for any changes in the information used by us to arrive at our conclusion as set out here in which may occur subsequent to the date of our Report or by virtue of fact that the details provided to us are incorrect or inaccurate.
- 4.21. Any transaction price may however be significantly different and would depend on the negotiating ability and motivations of the respective buyers and sellers in the transaction.
- 4.22. Our scope is limited to recommendation of fair share entitlement ratio for the equity shareholders of the Demerged Company. The Report should not be construed as, our opinion or certifying the compliance of the Proposed Demerger with the provisions of any law including the Companies Act 2013, Foreign Exchange Management Act, 1999, taxation related laws, capital market related laws, any accounting, taxation or legal implications or issues arising from Proposed Demerger.
- 4.23. The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all their areas of operation unless otherwise stated and that the Companies will be managed in competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of legal nature, including issues of legal title and compliance with local laws, litigation and other contingent liabilities that are not recorded in the financial statements of the Companies.
- 4.24. This Report does not look into the business/commercial reasons behind the Proposed Demerger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Demerger as compared with any other alternative business transaction or any other alternatives, whether or not such alternatives could be achieved or are available. The assessment

of commercial and investment merits of the Companies are sole responsibility of the investors of the Companies and we don't express opinion on the suitability or otherwise of entering into any financial or other transactions with the Companies.

- 4.25. No investigation/ inspection of the Companies' claim to the title of assets has been made for the purpose of this Report and the same has assumed to be valid. No consideration has been given to liens or encumbrances against such assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of legal nature.
- 4.26. The determination of a fair share entitlement ratio is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is therefore no indisputable single value. While we have provided an assessment of the value based on an analysis of information available to us and within the scope of our engagement, others may place a different opinion.
- 4.27. Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, neither us, nor any of our partners, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this Report.
- 4.28. We owe responsibility to only the Board of Directors of the Companies and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other party to the Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents. In the particular circumstances of this case, our liability, if any (in contract or under statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, howsoever the loss or damage caused, shall be limited to the amount of fees actually received by us from the Company, as laid out in the engagement letter, for such valuation work.
- 4.29. We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.
- 4.30. The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Companies (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).



5. Sources of Information

5.1. For the purpose of undertaking this valuation exercise, we have relied on the following sources of information provided by the management/ representatives of the Companies:

- Management certified/ provisional financials of PBL as on February 28, 2023;
- Management certified/ provisional carved out financials of the Demerged Undertaking;
- Cost and Sales details as on/up-to February 28, 2023 of the Demerged Undertaking;
- Details of flats sold, total area, unsold area, pending receivables, refunds to be made, construction and other costs to be incurred, expected selling prices and other key assumptions w.r.t the Demerged Undertaking;
- Shareholding pattern of PBL and PCRPL as at February 28, 2023;
- RPS of the Resulting Company proposed to be issued to the preference shareholders of the Demerged Company, as decided by the management;
- Draft Scheme of Arrangement between PBL and PCRPL and their respective shareholders and creditors under sections 230 to 232 and other applicable provisions of the Act;
- Terms of the current Redeemable Preference Shares of PBL;
- Commercial Agreement and understanding between PBL and PCRPL;
- Terms of the proposed issue of RPS by the Resulting Company;
- Information provided by leading database sources (proprietary databases subscribed by us or our network firm), market research reports and other published data (including the Stock Exchanges); and
- Other relevant data and information provided to us by the representatives of the Companies either in written or oral form or in form of soft copy of the Companies.

5.2. We have also obtained the explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise from the management of PBL and/ or PCRPL ('Management'). Companies have been provided with the opportunity to review the draft Report as part of our standard practice to make sure that factual inaccuracies/ omissions are avoided in our final Report.

5.3. The Management has informed us that there would be no significant variation between the draft Scheme and the final scheme approved and submitted with the relevant authorities.



6. Procedures Adopted

6.1. Procedures used in our analysis included such substantive steps as we considered necessary under the circumstances, including but not limited to the following:

- Discussion with the Management to:
 - o Understand the rationale for the Proposed Demerger and the Scheme;
 - o Understand the business and fundamental factors that affect the operations of the Demerged Undertaking;
- Requested and received information as stated on the Source of Information section of this Report;
- Analysis of information shared by the Management;
- Reviewed the draft Scheme of Arrangement between the Companies;
- Obtained data available in public domain;
- Undertook industry and market analysis such as researching publicly available market data including economic factors and industry trends that may impact the valuation;
- Discussion (over call) with the management of PBL to understand the business and fundamental factors that could affect the Demerged Undertaking, its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance;
- Sought various clarifications from the management of PBL based on our review of information shared and our analysis;
- Understood the terms of RPS proposed to be issued by the Resulting Company to the shareholders of PBL;
- Selection of valuation methodology/(ies) as prescribed by International Valuation Standards (“IVS”). For the purpose of arriving at the valuation of the Demerged Undertaking and RPS we have considered the valuation base as ‘Fair Value’. Our valuation, and this report, is based on the premise of current use/existing use. Any change in the valuation base, or the premise could have significant impact on our valuation exercise, and therefore, this Report.
- Determined the fair share entitlement ratio for issue of RPS of PCRPL to the equity shareholders of PBL as consideration for the Proposed Demerger after taking into consideration the value of the Demerged Undertaking and the value of RPS and applicable provisions of the Act.



7. Valuation Approaches

- 7.1. It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the companies/businesses, and other factors which generally influence the valuation of the companies, its businesses and assets.
- 7.2. The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, analysis of businesses, in an independent and bona fide manner based on our previous experience of assignments of similar nature.
- 7.3. It may be noted that BDO Val is enrolled with IOV Registered Valuers Foundation, which has recommended to follow International Valuation Standards (“IVS”) for undertaking valuation and accordingly we have considered the International Valuation Standards issued by International Valuation Standards Council (‘IVSC’) in carrying out the valuation exercise.
- 7.4. There are three generally accepted approaches to valuation:
- (a) “Asset” / “Cost” Approach
 - (b) “Income” Approach
 - (c) “Market” Approach

Within these three basic approaches, several methods may be used to estimate the value. An overview of these approaches is as follows:

Asset / Cost Approach

Summation Method

The summation method, also referred to as the underlying asset method, is typically used for investment companies or other types of assets or entities for which value is primarily a factor of the values of their holdings.

This valuation approach is mainly used in case where the assets base dominates earnings capability.

Income Approach

The income approach is widely used for valuation under “Going Concern” basis. It focuses on the income generated by the company in the past as well as its future earning capability. The

Discounted Cash Flow Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

Discounted Cash Flow Method

Under the Discounted Cash Flow ('DCF') method, the value of the undertaking is based on expected cash flows for future, discounted at a rate, which reflects the expected returns and the risks associated with the cash flows as against its accounting profits. The value of the undertaking is determined as the present value of its future free cash flows.

Free cash flows are discounted for the explicit forecast period and the perpetuity value thereafter. Free cash flows represent the cash available for distribution to both, the owners and creditors of the business.

Discount rate is the Weighted Average Cost of Capital ('WACC'), based on an optimal vis-à-vis actual capital structure. It is appropriate rate of discount to calculate the present value of future cash flows as it considers equity-debt risk and also debt-equity ratio of the firm.

The perpetuity (terminal) value is calculated based on the business's potential for further growth beyond the explicit forecast period. The "constant growth model" is applied, which implies an expected constant level of growth (for perpetuity) in the cash flows over the last year of the forecast period.

The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business's future operations.

The Business/Enterprise Value so derived, is further reduced by value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of business. The surplus assets / non-operating assets are also adjusted.

In case of free cash flows to equity, the cash available for distribution to owners of the business is discounted at the Cost of Equity and the value so arrived is the Equity Value before surplus/ non-operating assets. The surplus assets / non-operating assets are further added to arrive at the Equity Value.

Market Approach

Under the Market approach, the valuation is based on the market value of the company in case of listed companies and comparable companies trading or transaction multiples for unlisted companies. The Market approach generally reflects the investors' perception about the true worth of the company.

i. Market Price Method

Under this method, the market price of an equity shares of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where

such quotations are arising from the trading. The market value reflects the investors' perception about the true worth of the company.

ii. Comparable Companies Multiple Method

Under the Comparable Companies Multiple ('CCM') method, the value is determined on the basis of multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

To the value of the business so arrived, adjustments need to be made for the value of contingent assets/liabilities, surplus Asset and dues payable to preference shareholders, if any, in order to arrive at the value for equity shareholders.

iii. Comparable Transactions Multiple Method

Under the Comparable Transactions Multiple ('CTM') method, the value of a company can be estimated by analyzing the prices paid by purchasers of similar companies under similar circumstances. This is a valuation method where one will be comparing recent market transactions in order to gauge current valuation of target company. Relevant multiples have to be chosen carefully and adjusted for differences between the circumstances. This valuation approach is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.

8. Conclusion on Valuation Approach:

Cost Approach:

- 8.1. A scheme of demerger would normally be proceeded with, on the assumption that the Demerged Undertaking shall be transferred as going concerns and an actual realization of the operating assets is not contemplated. In a going concern scenario, the relative earning power, as reflected under the Income and Market approaches, is of greater importance to the basis of demerger, with the values arrived at on the net asset basis being of limited relevance. Therefore, we have not considered cost approach for valuation since the cost approach does not reflect the intrinsic value of the Demerged Undertaking / business in a "going concern scenario".

Income Approach:

- 8.2. DCF Method under the Income Approach has been considered for valuation of the Demerged Undertaking since its value lies in the future earning potentials from the said project.
- 8.3. The Value of the RPS shall has also been valued basis the DCF method and the terms of the RPS.

Market Approach:

- 8.4. Since equity shares of PBL/ PCRPL are not listed on any stock exchange, market price method has not been considered. Further, CCM method and CTM method are not considered for valuation of the Demerged Undertaking due to difference in the projects specifications, features, financial data, etc. of the Demerged Undertaking as compared to the other companies operating in similar sector.

9. Basis of Share Entitlement Ratio

- 9.1. The basis of the fair share entitlement ratio would have to be determined after taking into consideration all the factors and methods mentioned hereinabove and to arrive at a final value for the Demerged Company and RPS.
- 9.2. We have independently applied methods discussed above, as considered appropriate, and arrived at value of the Demerged Undertaking (“Annexure 1”) and RPS of the Resulting Company (“Annexure 2”)
- 9.3. To arrive at the fair share entitlement ratio, rounding off have been done in the values.
- 9.4. The fair share entitlement ratio for the equity shareholders of the Demerged Company has been arrived at on the basis of a relative valuation based on the various approaches/methods explained herein earlier and various qualitative factors relevant to the Demerged Company, the terms of RPS of the Resulting Company, the business dynamics of the demerged undertaking, having regard to information base, key underlying assumptions and limitations.

10. Major factors that were considered during the valuation

- 10.1. Key operating/ financial parameters of the Demerged Undertaking;
- 10.2. Terms of the RPS and applicable provisions of the Act;
- 10.3. Current status of the City Reserva Project;
- 10.4. Projected business plan and financial projections of the said City Reserva Project.

11. Recommendation of Fair Share Entitlement Ratio for the Proposed Demerger

- 11.1. On the basis of the foregoing, on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, a share entitlement ratio for the Equity Shareholders of the Demerged Company in the event of the Proposed Demerger would be as follows:



“289 (Two hundred and eighty-nine) fully paid Non-Cumulative Redeemable Preference share of INR 10/- (Indian Rupees Ten) each in Puranik City Reserva Private Limited for every 10,000 (Ten Thousand) fully paid Equity Share of INR 10/- (Indian Rupees Ten) each held in Puranik Builders Limited”

- 11.2. Further, basis the decision of the management to issue pre-defined number of RPS of the Resulting Company to the existing preference shareholders of the Demerged Company, a share entitlement ratio for the Preference Shareholders of the Demerged Company in the event of the Proposed Demerger would be as follows:

“1 (One) fully paid Non-Cumulative Redeemable Preference share of INR 10/- (Indian Rupees Ten) each in Puranik City Reserva Private Limited for every 100 (Hundred) Redeemable Non-Convertible Preference share of INR 10/- (Indian Rupees Ten) each held in Puranik Builders Limited”

- 11.3. Our Report and fair equity share entitlement ratio is based on the current equity share capital structure of PBL and proposed issue of RPS of PCRPL as mentioned above. Any variation in the equity share capital structure of PBL and PCRPL apart from the above mentioned may have an impact on the fair share entitlement ratio.

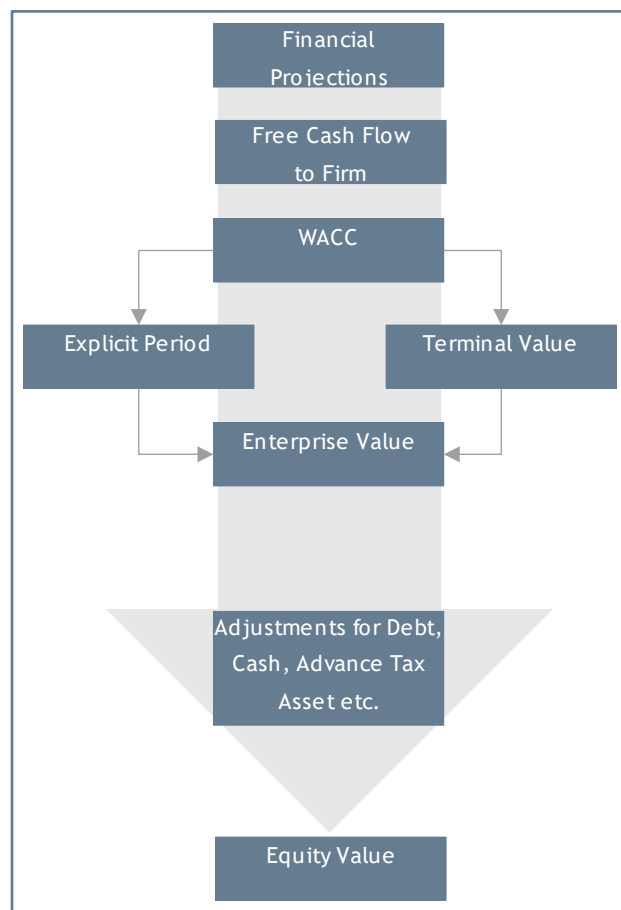
- 11.1. We would like to emphasize that as per the Proposed Demerger envisaged in the Scheme, the City Reserva Project shall be demerged from PBL into its wholly owned subsidiary - PCRPL and fresh issue of shares would be made to the existing equity shareholders of PBL on a proportionate basis. However, considering the fact that PCRPL shall continue to be wholly owned subsidiary of PBL post the Proposed Demerger, the beneficial economic interest of Demerged Company equity shareholders in Resulting Company will remain materially same as at the time of demerger (pre-demerger) and hence would not have any impact on the economic interest of the equity shareholders of the Demerged Company. The share entitlement ratio would not have any material impact on the ultimate value of the equity shareholders of Demerged Company and the Proposed Demerger will be value-neutral to the Demerged Company's equity shareholders. Accordingly, we believe that any fair equity share entitlement ratio can be considered appropriate and fair for the Proposed Demerger as the economic interest of the any equity shareholder pre-demerger and post-demerger would remain materially same and not vary.
- 11.2. While we have provided our recommendation on the fair equity share entitlement ratio, the final responsibility for adoption of the fair share entitlement ratio for the Scheme shall be with the Board of Directors of the Companies who should take into account other factors including their own assessment of the Scheme and inputs of other advisors.



Annexure 1 - Value of Demerged Undertaking

- The value of the Demerged Undertaking is derived from the future expected cash flows of the City Reserva Project. Accordingly, we have considered Discounted Cash Flow method to value the Demerged Undertaking.

DCF Method



- Projections on a “going concern” basis as provided by the Management, are considered for the purpose of valuation of Demerged Undertaking for the period starting from March 1, 2023 to March 31, 2029 during which the said Project is expected to be completed and sold.
- We have used the Free Cash Flows to Firm (“FCFF”) model under DCF method to calculate equity value of the Company.
- In FCFF, the free cash flows available to the Company are discounted by weighted average cost of capital (WACC) of 17.7% to arrive at the enterprise value (Refer page 21 for detailed WACC analysis).
- Since this is a finite life real estate project, no terminal growth rate has been considered.



- The Inflows of the Demerged Undertaking have been computed after considering the area sold, unsold area, value of sales already booked, receivables from the area sold, the expected phasing of sales and collection;
- The Outflows of the Demerged Undertaking have been computed after considering the area sold, unsold area, cost incurred till date, payables, the expected cost phasing;
- We have discounted the projected free cash flows back to their present value using mid-year discounting convention. The use of mid-year discounting factors better reflects the assumption that the cash flows will be generated throughout the year, rather than at the beginning or at the end of the year.
- Based on the financial parameters of the Company and as informed by the Management, the corporate tax rate for terminal year is considered at 25.17%.
- The enterprise value of the Demerged Undertaking is arrived at INR 197.6 Crores, determined as the aggregate of the present value of explicit period cash flows.
- As per the carved-out financials of Demerged Undertaking, it has certain assets on the books (deferred tax asset, cash and cash equivalent, other financial and current assets), borrowings and liabilities (payables, provisions and financial liabilities), value of RPS being issued to preference shareholders of PBL, which have been adjusted to arrive at equity value of the Demerged Undertaking as on the Valuation Date (Refer page 21 for DCF analysis) of INR 1.7 crores.
- Accordingly, the Equity Value of the Demerged Undertaking as per DCF method is arrived at INR 1.7 crores. The equity share outstanding of the Demerged Company i.e., 5,76,48,207 number of Equity Shares of Rs.10/- each have been considered to arrive at the equity value per share of INR 0.29 for the Demerged Undertaking.



Cash flow analysis

(INR Crores)						
Particulars	FY23*	FY24	FY25	FY26	FY27	FY28
Total Inflow	62.4	112.1	317.4	377.5	409.5	24.6
Total Outflow (excluding Tax)	5.5	193.2	286.1	198.5	171.7	4.3
Net Inflow Post Operations (Pre-Tax)	56.9	(81.1)	31.3	179.0	237.8	20.3
Tax	(4.9)	(8.7)	(24.7)	(29.4)	(31.9)	(1.9)
Net Inflow	52.0	(89.9)	6.6	149.6	205.9	18.4
PV Factor	1.0	0.9	0.8	0.7	0.6	0.5
PV	51.6	(82.3)	5.1	98.8	115.6	8.8
Enterprise Value (INR Cr)	197.6					
Other Adjustments:						
Add: Cash and Cash Equivalents	6.0					
Add: Deferred tax assets (net)	0.2					
Add: Other Current Assets	16.0					
Less: Borrowings	(196.0)					
Less: Other Current Liabilities	(21.3)					
Less: Other Non-Current Liabilities	(0.9)					
Equity Value (INR Cr)	1.7					
Number of Equity shares of PBL	5,76,48,207					
Value per Share (INR)	0.29					

*for the period March 1, 2023 to 31st March, 2023

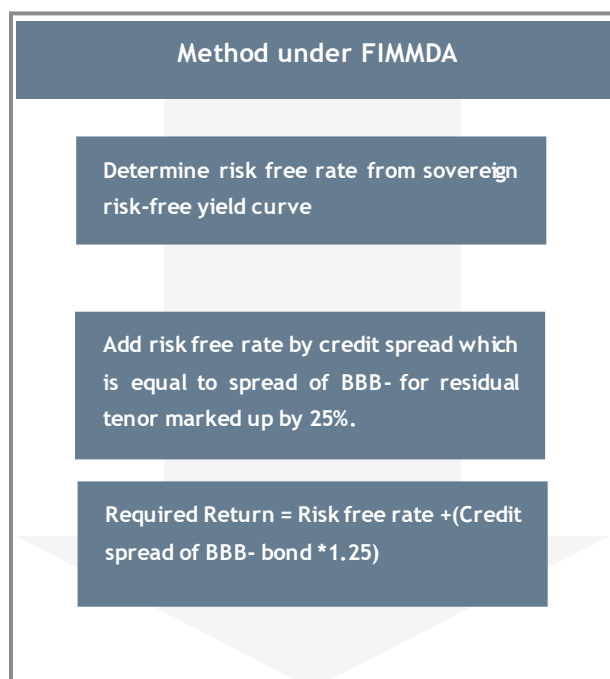
Computation of WACC

Particulars		Explanation
Risk Free Rate of Return ("Rf")	7.4%	Risk Free Rate of Return has been considered based on 10 years Zero coupon yield curve issued on www.ccil.com as at February 28, 2023
Market Return ("Rm")	15.0%	Market Return has been considered based on the long-term average returns earned by an equity investor investing in India corroborated by long term average returns of the benchmark indices
Market Premium	7.6%	Market Premium = Market Return - Risk Free Rate of Return
Relevered Beta ("B")	1.14	Beta based on 5-year daily return on closing price of comparable companies of Demerged Undertaking unlevered and re-levered on the basis of its D/E Ratio.
Cost of Equity ("Ke")	16.1%	$Ke = Rf + B \times (Rm - Rf)$
Company Specific Risk Premium ("KSP")	5.0%	Company Specific Risk Premium added on account of factors inter-alia, risk of achieving projections, execution risk, etc.
Revised Cost of Equity	21.1%	$Ke + Ksp$
Cost of Debt ("Kd")	14.8%	Cost of Debt is as per PBL management
Tax Rate ("t")	25.2%	Based on statutory corporate tax rate in India as of the Valuation Date.
Cost of Debt [Net of Tax]	11.0%	$Kd \times (1 - t)$
Debt/(Debt + Equity)	51.3%	Based on comparable set of Companies considered
WACC	17.67%	Discount rate is the weighted average cost of capital
WACC (Considered)	17.70%	Rounded Off



Annexure 2 - Value of RPS of the Resulting Company

- The RPS of PCRPL have been valued using income approach.
- The income approach converts future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted) amount using the present value technique. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.
- Fixed Income Money Market and Derivatives Association of India (“FIMMDA”) is the voluntary market body for the bond, money and derivatives markets. FIMMDA issues guidelines on a regular basis to derive the value of investments in a variety of instruments. The valuation of investments including:
 - Bonds, Debentures and Preference Shares which are not rated by a rating agency, and no corresponding rated bond of the issuer exists.
 - Bonds and Debentures which were rated by a rating agency but became unrated during its tenor and no corresponding rated bond of the issuer exists.
 - Bonds/Debentures having special features.
- As per the latest guideline issued by FIMMDA, the Bonds, Debentures and Preference Shares which are not rated by a rating agency and no corresponding rated bond of the issuer exists then following method has to be adopted:



- We have considered the FIMMDA methodology described above for the valuation of RPS as it's not rated and no corresponding instrument of PCRPL exist as on the valuation date.
- The key terms of the proposed RPS of PCRPL include:



Instrument	Non-cumulative Redeemable Preference Shares
Dividend	1% per annum
Voting rights	No
Tenure	5 (Five) years
Face value	INR 10 per preference share
Issue Price	INR 10 per preference share
Redemption	<p>The Board of Directors of the Resulting Company can redeem the preference shares at any time after a period of 6(Six) months from the date of allotment at face value of preference shares.</p> <p>The Resulting Company will be liable to pay the redemption amount of the preference shares along with dividend declared, if any, up to the date of Redemption ("Redemption Amount").</p>

- The value of the instrument shall be Value of Straight instrument as it is not convertible and is redeemable any time after period of 6 months from the date of their issue and upto 5 years. Considering the limited life of the City Reserva Projected, the expected cash flows and specific conditions of the Debenture Holders, the management has informed that the probability of these RPS being redeemed at the end of five years (from the date of their issue) is reasonably high.
- Accordingly, for the purpose of this exercise, we have assumed the life of RPS to be 5 years.

Valuation of Straight Instrument

- A straight instrument is an instrument that has no special features compared to other instruments with embedded options. Therefore, RPS are plain vanilla instruments in which the instrument does not have any option to call, put or convert the instrument. As per the FIMMDA methodology, all non-traded RSP should be valued on the yield to maturity ('YTM') basis.
- As per the YTM method, the value of the instrument shall be the present value of future cash flows, discounted at the appropriate yield, based on the credit rating of the issuer.
- Since, the RPS of PCRPL are not rated by a rating agency and no corresponding rated bond of PCRPL exists, hence we have considered the methodology as discussed above. Refer table below for arriving at Yield to Maturity/ Discount Rate.

Instrument	Non-cumulative RPS
Rf	7.35%
Corporate BBB Spread	4.65%
Additional Spread (FIMMDA)	1.16%
Company specific credit spread	5.0%
Spot rate as at February 28, 2023	18.16%

Basis the terms of the RPS and above computed discount rate, the value of RPS is INR 4.7 per share.

However, since as per the provisions of the Act, shares cannot be issued at value below face value, the value of RPS considered of the current exercise is INR 10 per share.



Sanjay Rane & Associates LLP

CHARTERED ACCOUNTANTS

Phone : +91 (22) 4919 8585
Email : admin@ssrane.net
Website : www.ssraneandco.com
LLP IN : ABZ-0863

Statutory Auditor's Certificate

To,
The Board of Directors
Puranik Builders Limited
Puranik One,
Near Kanchanpushpa Complex,
Opp. Suraj Water Park, Kavesar,
Ghodbunder Road,
Thane (West) - 400 615,
Maharashtra, India

1. We, Sanjay Rane & Associates LLP, Chartered Accountants (Firm Registration Number - 121089W/W100878), the statutory auditors of **Puranik Builders Limited** (*hereinafter referred to as 'the Company' or 'Demerged Company'*), have examined the proposed accounting treatment specified in Clause 7 of the Scheme of Arrangement ('the Scheme' or 'this Scheme') between Puranik Builders Limited ('PBL' or 'Demerged Company') and **Puranik City Reserva Private Limited ('PCRPL' or 'Resulting Company')** and their respective shareholders in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 with reference to its compliance with the applicable Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other Generally Accepted Accounting Principles.
2. The Scheme is approved by the Board of directors of the Company in their meeting held on August 29, 2023

Management Responsibility

3. The responsibility for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable Indian Accounting Standards as aforesaid, is that of the Board of Directors of the companies involved.

Auditor Responsibility

4. Our responsibility is only to examine and report whether the accounting treatment given in the Scheme complies with the applicable Indian Accounting Standards and other generally accepted accounting principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are the subject of this Certificate,

will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

5. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.
6. Our examination did not extend to any aspects of a legal or property nature covered in the Scheme.

Opinion

7. Based on our examination and according to the information and explanations given to us, we confirm that the proposed accounting treatment contained in Clause 7 of the Scheme is in compliance with all applicable Indian Accounting Standards notified by the Central Government under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other Generally Accepted Accounting Principles.
8. For ease of reference, Clause 7 of the Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure A of this Certificate and is initialed by us only for the purposes of identification.

Restriction on use

9. This Certificate is issued at the request of the Company pursuant to the requirements of Sections 230 to 232 of the Companies Act, 2013 for onward submission to the National Company Law Tribunal and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For Sanjay Rane & Associates LLP
Chartered Accountants
Firm Registration No. 121089W/W100878

Abhijeet Arun
Deshmukh

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Abhijeet Arun Deshmukh
Date: 2023.08.29 18:22:05
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CA. Abhijeet Deshmukh
Partner
Membership No. 129145

Place: Mumbai
Date: August 29, 2023

UDIN: 23129145BGQKRQ2680

Annexure to the certificate

Certified true copy of clause 7 of the composite Scheme of Arrangement amongst Puranik Builders Limited (hereinafter referred to as 'the Company' or 'Demerged Company') AND Puranik City Reserva Private Limited AND their respective shareholders ('the Scheme' or 'this Scheme') in terms of the provisions of Sections 230 to 232 read with Sections 66 and 234 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013

7. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY AND THE RESULTING COMPANY UPON DEMERGER OF DEMERGED UNDERTAKING.

- 7.1. Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Demerged Company and Resulting Company shall give effect to the accounting treatment in its respective books of accounts in accordance with the applicable Indian accounting standards specified under section 133 of the Act read with applicable Rules or any other relevant or related requirement under the Act.

In the books of the Demerged Company

- 7.2. Upon the Scheme becoming effective, the Demerged Company shall reduce the book value of assets and liabilities pertaining to the Demerged Undertaking which are transferred to and vested in Resulting Company from the total book value of assets and liabilities appearing in its books as on Appointed Date;
- 7.3. The difference, if any, between the book value of assets and liabilities transferred to Resulting Company shall be transferred to reserves in accordance with the applicable accounting principles prescribed under Indian Accounting Standards or such other accounting principles as may be applicable under the Act
- 7.4. The inter-company balances between Demerged Company and Resulting Company relating to the demerged undertaking, if any, in the books of the account of the Demerged Company shall stand cancelled.

In the books of the Resulting Company

- 7.5. The Resulting Company shall account for the arrangement in accordance with 'Pooling of Interest Method' laid down by Appendix C of IND AS 103 (Business combinations of entities under common control).
- 7.6. Upon the Scheme coming into effect, the Resulting Company shall record the assets and liabilities of the Demerged Undertaking at the same values as appearing in the books of the Demerged Company on the Appointed Date.
- 7.7. The Resulting Company shall credit to its preference share capital account, the face value of Resulting Company Preference Shares issued pursuant to Clause 6.1 of this Scheme.
- 7.8. The difference being the excess of the net asset value of the Demerged Undertaking transferred to the Resulting Company recorded as per clause 7.4 above, over the face value

of preference shares issued as per Clause 6 would be recorded as Capital Reserve. Shortfall, if any, shall be recorded as Goodwill.

7.9. The inter-company balances between Demerged Company and Resulting Company relating to the demerged undertaking, if any, in the books of the account of the Demerged Company shall stand cancelled.

7.10. The identity of the reserves shall be preserved and shall appear in the financial statements of the Resulting Company in the same form in which they appeared in the financial statements of the Demerged Company pertaining to the Demerged Undertaking.

For Puranik Builders Limited

SHRIKANT
GOVIND
PURANIK

Digitally signed by
SHRIKANT GOVIND
PURANIK
Date: 2023.08.29 17:36:17
+05'30'

Shrikant Puranik
Whole Time Director



CERTIFICATE

To,
The Board of Directors
Puranik City Reserva Private Limited
M/s.Puranik Builders Ltd., Puraniks One, Kanchan Pushpa
G. B. Road, ,Kavesar, Thane, Maharashtra, India, 400615

We, **VMD & Co**, Chartered Accountants (Firm Registration Number – 125002W), the statutory auditors of **Puranik City Reserva Private Limited** (*hereinafter referred to as 'the Company' or 'Resulting Company'*), have examined the proposed accounting treatment specified in Clause 7 of the Scheme of Scheme of Arrangement between Puranik Builders Limited and Puranik City Reserva Private Limited and their respective shareholders in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standard's as aforesaid, is that of the Board of Directors of the companies involved. Our responsibility is only to examine and report whether the Scheme complies with the applicable Accounting Standard's and other generally accepted accounting principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are the subject of this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the Scheme is in compliance with all applicable Accounting Standard's notified by the Central Government under the Companies Act, 2013, read with the General Circular 8/2014 dated 4th April 2014, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013.





This Certificate is issued at the request of the Company pursuant to the requirements of Sections 230 to 232 of the Companies Act, 2013 for onward submission to the National Company Law Tribunal. This Certificate should not be used for any other purpose without our prior written consent.

FOR VMD AND CO
Chartered Accountants

CA Vijaykumar Desai
Partner
Membership No: 009219
Firm Registration No: 125002W
UDIN: 23009219BGVIXL6949



Date: August 29, 2023
Place: Mumbai

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH: C-IV

CA(CAA)-280/MB/2023

In the matter of
Sections 230 to 232 and other applicable
provisions of the Companies Act, 2013

And

In the matter of
The Scheme of Arrangement between
Puranik Builders Limited
(Demerged Company/
Applicant Company-1)

And

Puranik City Reserva Private Limited
(Resulting Company/
Applicant Company-2)

And their respective Shareholders.

Puranik Builders Limited
[CIN: U99999MH1990PLC056451]

... Applicant Company-1/
Demerged Company

Puranik City Reserva Private Limited
[CIN: U70109MH2022PTC395624]

... Applicant Company-2/
Resulting Company

(hereinafter collectively referred to as the 'Applicant Companies')

Order pronounced on: 07.02.2024

Coram:

Ms. Anu Jagmohan Singh
Hon'ble Member (Technical)

Mr. Kishore Vemulapalli
Hon'ble Member (Judicial)

Appearance :

For the Applicants : Mr. Hemant Sethi a/w Ms. Devanshi
Sethi i/b Hemant Sethi & Co., Advocates.

ORDER

1. This is an Application filed jointly by Puranik Builders Limited Company) & Puranik City Reserva Private Limited under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, seeking directions of this Bench for Scheme of Arrangement between **Puranik Builders Limited** (Demerged Company) and **Puranik City Reserva Private Limited** (Resulting Company) and their respective shareholders (the "Scheme").
2. The Counsel for the Applicant Companies submits that the First Applicant Company / the Demerged Company is engaged in the business of real estate business and allied activities.
3. The Counsel for the Applicant Companies further submits that the Second Applicant Company / the Resulting Company is a wholly owned subsidiary of the First Applicant Company formed for the purpose of real estate business and allied activities.
4. The Applicants states that the Board of Directors of the Applicant Companies in their respective meetings held on 29.08.2023 have approved the Scheme. The Appointed Date for the Scheme is 1st April 2023.

5. **Rationale:**

The Counsel for the Applicant Companies submits that after the Scheme coming into effect, the Applicant Companies will have the following benefits:

- a. *The Demerged Company is engaged in development of various real estate projects. One of its real estate project known as the Puranik City Reserva Project (Demerged Undertaking) is contemplated to be demerged into Demerged Company's WoS, the Resulting Company on a going concern basis.*
 - b. *This proposed to hive-off the Demerged Undertaking along with all assets, liabilities, employees etc. into Resulting Company will result in focused approach to exploit the growth potential of the project. It will help in providing flexibility to raise capital and also to attract fresh set of investors / strategic partners to participate in the project.*
6. The Applicant Companies state that the Authorized, Issued, Subscribed and Paid-up Share Capital of the Applicant Companies as on 31.03.2023 are as under:

First Applicant Company:

Particulars	Amount (in Rs)
<u>Authorised Share Capital</u>	
10,60,00,000 Equity Shares of Rs. 10/- each	106,00,00,000
90,00,000 5% Redeemable non-Convertible Preference Shares of Rs. 10/= each	9,00,00,000
TOTAL	115,00,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u>	

5,76,48,207 Equity Shares of Rs. 10/- each	57,64,82,070
90,00,000 5% Redeemable Non-Convertible Preference Shares of Rs. 10/-	9,00,00,000
TOTAL	66,64,82,070

Second Applicant Company:

Particulars	Amount (in Rs)
<u>Authorised Share Capital</u>	
10,000 Equity Shares of Rs. 10/- each	1,00,000
TOTAL	1,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u>	
10,000 Equity Shares of Rs. 10/- each	1,00,000
TOTAL	1,00,000

7. Consideration:

The Counsel for the Applicant Companies further submits that upon the Scheme becoming effective and in terms of this Scheme, the Resulting Company shall without any application or deed, issue and allot redeemable preference shares, to the extent indicated below:

- a) to the equity shareholders of the Demerged Company holding fully paid up equity shares of the Demerged Company and whose name appear in the register of members of the Demerged Company on the Effective Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Demerged

Company and the Resulting Company in the following proportion:

“289 (Two hundred and forty-seven) fully paid Non-Cumulative Redeemable Preference share of INR 10/- (Indian Rupees Ten) each in PCRPL for every 10,000 (Ten Thousand) fully paid Equity Share of INR 10/- (Indian Rupees Ten) each held in PBL” in proportion of their holdings in the Demerged Company as on the Effective Date.

- b) To the redeemable preference shareholders of the Demerged Company respective heirs, executors, administrators or other legal representatives or other successors in title, whose names appear in the Register of Preference Shareholders on the Effective Date as under:

“1 (One) fully paid 1% Non-Cumulative Redeemable Preference share of INR 10/- (Indian Rupees Ten) each in PCRPL for every 100 (Hundred) 5% Redeemable Preference share of INR 10/- (Indian Rupees Ten) each held in PBL”

8. The Counsel for the Applicant Companies further submit that there are eight (8) Equity Shareholders in the First Applicant Company. The consent affidavits of all eight Equity Shareholders of the First Applicant Company have been obtained. In view of the fact that all the Equity Shareholders of the First Applicant Company have given their consent to the Scheme, the meeting of the Equity Shareholders of the First Applicant Company is hereby dispensed with.
9. The Counsel for the Applicant Companies further submits that there is one (1) Preference Shareholder in the First Applicant Company. The

consent affidavit of the sole Preference Shareholder of the First Applicant Company has been obtained. In view of the fact that the sole Preference Shareholder of the First Applicant Company have given its consent to the Scheme, the meeting of the Preference Shareholder of the First Applicant Company is hereby dispensed with.

10. The Counsel for the Applicant Companies further submits that there are five (5) Secured Creditors (including debenture holders) aggregate amounting to Rs.617,64,82,886/- in the First Applicant Company and requests this Tribunal to direct to convene the meeting of the Secured Creditors of the First Petitioner Company, to be convened for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme.
11. The First Petitioner Company is hereby directed to:
 - a) Issue Notice convening meeting of the Secured Creditors of the First Petitioner Company in Form No. CAA.2 as per Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;
 - b) Issue Statement containing all the particulars as per Section 230(3) of the Companies Act, 2013;
 - c) Issue form of proxy as per Form No. MGT-11 (Rule 19) of the Companies (Management and Administration) Rules, 2014; and
 - d) Advertise the Notice convening meeting in Form No. CAA.2 as per Rule 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

12. That at least 30 clear days before the said meeting of the Secured Creditors of the First Petitioner Company to be held as aforesaid, a notice convening the said meeting at the place, day, date and time as aforesaid, together with a copy of the Scheme, a copy of statement disclosing all material facts as required under Section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rule, 2016 and the prescribed form of proxy, shall be sent by Courier/ Registered Post / Hand Delivery / Speed Post or through Email (to those Secured Creditors whose email addresses are duly registered with the First Petitioner Company for the purpose of receiving such notices by email), addressed to the Secured Creditors of the First Petitioner Company, at their last known address or email addresses as per the records of the First Petitioner Company, as on September 30, 2023 determined by the Board of Directors of the First Petitioner Company.
13. Ms. Neeru Sharma, DGM (Rtd.), SBI, Mumbai, mob.: 9119132626, e-mail: neeru62@gmail.com, shall be the Chairperson of the meeting of the Secured Creditors of the First Applicant Company to be held as per the date and venue mutually decided by the management of the company and the Chairperson. The date of meeting shall be within 45 days from the date of this order.
14. The Scrutinizer for the aforesaid meeting of Secured Creditors of First Petitioner Company shall be Mr. Dhruvil M. Shah (C.P. No. 8978), Practicing Company Secretary, with a remuneration of Rs. 25,000/- for the services rendered.

15. The Chairperson appointed for the aforesaid meeting to issue the advertisement and send out the notices of the meeting referred to above. The said Chairman of the meeting shall have all powers as per Articles of Association and also under the Companies Act, 2013 in relation to the conduct of the meeting, including for deciding procedural questions that may arise at the aforesaid meeting or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting by any person(s).
16. The quorum of the aforesaid meeting of the Secured Creditors of the First Petitioner Company shall be as prescribed under Section 103 of the Companies Act, 2013, present either in person or by authorized representative. If the quorum is not present within half an hour from the time appointed for the holding of the meeting, the Secured Creditors present shall be the quorum and the meeting shall be held.
17. The voting by authorized representative in case of body corporate be permitted, provided that authorization duly signed by the person entitled to attend and vote at the meeting is filed with the First Petitioner Company at the Registered Office not later than 48 hours before the aforesaid meeting.
18. The value and number Secured Creditors of the First Petitioner Company shall be in accordance with the books of accounts of the First Petitioner Company where the entries in the books are disputed, the Chairman of the meeting shall determine the value for the purpose of the aforesaid

meeting and his decision in that behalf would be final.

19. The Chairperson of the meeting of the First Petitioner Company to report to this Tribunal, the results of the aforesaid meeting within Seven days of the conclusion of the meeting of the Secured Creditors along with the Scrutineer's report.
20. The Counsel for the Applicant Companies states that there are 2019 (Two thousand and Nineteen) Unsecured creditors aggregate amounting to Rs.174,89,11,656/- and that the meeting of the Unsecured Creditors of the First Applicant Company / Demerged Company be convened for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme.
21. The First Applicant Company / Demerged Company is hereby directed to:
 - i. Issue Notice convening meeting of the Unsecured Creditors of the First Applicant Company in Form No. CAA.2 as per Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, who are unsecured creditors as on the cut-off date;
 - ii. Issue Statement containing all the particulars as per Section 230(3) of the Companies Act, 2013;
 - iii. Issue form of proxy as per Form No. MGT-11 (Rule 19) of the Companies (Management and Administration) Rules, 2014; and
 - iv. Advertise the Notice convening meeting in Form No. CAA.2 as per Rule 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

22. That at least 30 clear days before the said meeting of the Unsecured Creditors of the First Applicant Company to be held as aforesaid, a notice convening the said meeting at the place, day, date and time as aforesaid, together with a copy of the Scheme, a copy of statement disclosing all material facts as required under Section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rule, 2016 and the prescribed form of proxy, shall be sent by Courier/ Registered Post / Hand Delivery / Speed Post or through Email (to those Unsecured Creditors whose email addresses are duly registered with the First Applicant Company for the purpose of receiving such notices by email), addressed to the Unsecured Creditors of the First Applicant Company, at their last known address or email addresses as per the records of the First Applicant Company, as on cut-off date determined by the Board of Directors of the First Applicant Company.
23. Ms. Neeru Sharma, DGM (Rtd.), SBI, Mumbai, mob.: 9119132626, e-mail: neeru62@gmail.com, shall be the Chairperson of the meeting of the Unsecured Creditors of the First Applicant Company to be held as per the date and venue mutually decided by the management of the company and the Chairperson. The date of meeting shall be within 45 days from the date of this order.
24. The Scrutinizer for the aforesaid meeting of Unsecured Creditors of First Applicant Company shall be Mr. Dhrumil M. Shah (C.P. No. 8978),

Practicing Company Secretary, with a remuneration of Rs. 25,000/- for the services rendered.

25. The Chairperson appointed for the aforesaid meeting to issue the advertisement and send out the notices of the meeting referred to above. The said Chairman of the meeting shall have all powers as per Articles of Association and also under the Companies Act, 2013 in relation to the conduct of the meeting, including for deciding procedural questions that may arise at the aforesaid meeting or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting by any person(s).
26. The quorum of the aforesaid meeting of the Unsecured Creditors of the First Applicant Company shall be as prescribed under Section 103 of the Companies Act, 2013, present either in person or by authorized representative. If the quorum is not present within half an hour from the time appointed for the holding of the meeting, the Unsecured Creditors present shall be the quorum and the meeting shall be held.
27. The voting by authorized representative in case of body corporate be permitted, provided that authorization duly signed by the person entitled to attend and vote at the meeting is filed with the First Applicant Company at the Registered Office not later than 48 hours before the aforesaid meeting.
28. The value and number Unsecured Creditors of the First Applicant

Company shall be in accordance with the books of accounts of the First Applicant Company where the entries in the books are disputed, the Chairman of the meeting shall determine the value for the purpose of the aforesaid meeting and his decision in that behalf would be final.

29. The Chairperson of the meeting of the First Applicant Company to report to this Tribunal, the results of the aforesaid meeting within Seven days of the conclusion of the meeting of the Unsecured Creditors along with the Scrutineers report.
30. The Chairperson will receive a consolidated amount of Rs.1,50,000/- (Rupees One lakh fifty thousands only) for conducting the above two meetings of secured and unsecured creditors of the First Applicant Company.
31. The Counsel for the Applicant Companies further submit that there are two (2) Equity Shareholders in the Second Applicant Company. The consent affidavits of both the Equity Shareholders of the Second Applicant Company have been obtained. In view of the fact that both the Equity Shareholders of the Second Applicant Company have given their consent to the Scheme, the meeting of the Equity Shareholders of the Second Applicant Company is hereby dispensed with.
32. The Counsel for the Applicant Companies further submits that there are no preference shareholders, no secured creditors and no unsecured creditors in the Second Applicant Company and therefore the question of

meeting of preference shareholders, secured creditors, unsecured creditors of the Second Applicant Company does not arise.

33. The First Applicant Company and the Second Applicant Company, are directed to serve notice along with copy of Scheme under the provisions of Section 230 (5) of the Companies Act, 2013 and Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 upon the-
- i. Central Government through the office of Regional Director, Western Region, Mumbai;
 - ii. Jurisdictional Registrar of Companies;
 - iii. Jurisdictional Income Tax Authority within whose jurisdiction the respective Applicant Company's assessment are made;
 - iv. the concerned Nodal Officer in the Income Tax Department having jurisdiction over such authority.
 - v. concerned Goods and Service Tax Authorities;
 - vi. Real Estate Regulatory Authority.
34. The above notice shall be served through Registered Post AD/Speed Post and by Hand Delivery pursuant to section 230(5) of the Companies Act, 2013 and rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The said notice will contain a statement that *"If no response is received by the Tribunal from such authorities within 30 days of the date of receipt of the notice, it will be presumed that they have no objection to the proposed Scheme"*.

35. The Applicant Companies shall host the notices along with a copy of the Scheme on their respective websites, if any.
36. The Applicant Companies will submit –
- a. details of Corporate Guarantee, Performance Guarantee and Other Contingent Liabilities, if any;
 - b. list of pending IBC cases, if any;
 - c. details of all other litigation pending against the Applicant Company having material impact on the proposed Scheme;
 - d. details of all Letters of Credit sanctioned and utilized as well as Margin Money details, if any.
37. The Applicant Companies shall host notices along with the copy of the Scheme on their respective websites, if any.
38. The Appointed Date is 1st April 2023.
39. The Applicant Companies to file an Affidavit of Service and Compliance Report within 10 working days after serving notice to all the Regulatory Authorities as stated above.
40. With the above directions, CA(CAA)-280/2023 is **allowed**.

Sd/-
Anu Jagmohan Singh
Member (Technical)

Sd/-
Kishore Vemulapalli
Member (Judicial)

07.02.2024/pvs/kb