

SCHEME OF ARRANGEMENT (DEMERGER)

UNDER SECTIONS 391 & 394 OF COMPANIES ACT, 1956

BETWEEN

**BLUEBLOOD VENTURES LIMITED (DEMERGED COMPANY
BEING THE TRANSFEROR COMPANY)**

AND

**DEVOTED CONSTRUCTION LIMITED (RESULTING COMPANY
BEING THE TRANSFEREE COMPANY)**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS



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A. PREAMBLE

This Scheme of Arrangement is presented for the demerger of the Demerged Undertaking of **BLUEBLOOD VENTURES LIMITED**, the Demerged Company, into **DEVOTED CONSTRUCTION LIMITED**, the Resulting Company, pursuant to provisions of Sections 391 to 394 provisions of the Act;

B. INTRODUCTION

- (i) **BLUEBLOOD VENTURES LIMITED** (hereinafter referred to as "Demerged Company") is a public limited company incorporated under the provisions of the Companies Act 1956 as on 23rd Day of February, 2007 bearing CIN No U70102DL2007PLC159680 and having its Registered Office at Room No 101, P-27 Malviya Nagar, New Delhi-110017. The equity shares of Demerged Company are listed on the BSE SME SEGMENT. The Demerged Company is authorised to and is primarily engaged in the business, *inter alia*, of (a) Investment Banking Activities like Venture Capitalist, Private Equity Investments, Trading on Stock and Commodity Exchange, (b) Special purpose Acquisition Vehicles, (c) Real Estate Development & Construction like FSI Trading, Acquiring & Trading in Development rights, underwriting Real Estate projects.
- (ii) **DEVOTED CONSTRUCTION LIMITED** (hereinafter referred to as "Resulting Company") is a public company incorporated under the provisions of the Companies Act 2013 as on 10th Day of May, 2016 bearing CIN No. U45500DL2016PLC299428 and having its Registered Office at P-27 Malviya Nagar, New Delhi-110017. The Resulting Company is authorised to and is primarily engaged in the business, *inter alia*, of real estate developers, contractors, colonizers, underwriters of commercial and residential properties, farm houses and industrial buildings. As on date, the Resulting Company is a wholly owned subsidiary of the Demerged Company.



C. RATIONALE

- (i) Demerged Company, by itself is engaged in 3 (three) distinct lines of business namely:
 - (a) Investment Banking Activities like Venture Capitalist, Private Equity Investments, Trading on Stock and Commodity Exchange (collectively referred to as the "*Investment Banking Business*");
 - (b) Special purpose Acquisition Company (collectively referred to as the "*SPAC Business*"); and
 - (c) Real Estate Development & Construction like FSI Trading, Acquiring & Trading in Development rights, underwriting Real Estate Projects. (Collectively referred to as the "*Real Estate Business/Demerged Undertaking*").
- (ii) The nature of risk and competition involved in each of the Investment Banking and Trading in shares & Commodity on Exchange Business is distinct, given that they operate in Financial Market governed by RBI and SEBI. Whereas the Real Estate Business will now be governed by Real Estate (Regulation and Development) Act, 2016 which will be enforced from 1st July, 2016.
- (iii) Thus, separation of the Real Estate Business, by way of the Scheme, including its business, undertaking and investments from the Demerged Company would lead to significant benefits for both the businesses including:
 - (a) enhanced strategic flexibility to build a vibrant industrial platform;
 - (b) enable a dedicated management focus and to accelerate growth of the Real Estate Business unlocking significant value for the shareholders of Demerged Company; and
 - (c) access to varied sources of funds for the rapid growth of both businesses.
 - (d) Would also provide scope for independent leadership, growth plans, collaboration, expansion and creating enhanced value for all the stakeholders.
- (iv) With a view to achieve the aforesaid growth potential, the Demerged Company proposes to re-organise and segregate, by way of the Scheme, its business, undertaking and investments in Real Estate Business. The restructuring proposed by this Scheme will also provide an opportunity to the investors to select investments which best suit their investment strategies and risk profiles.
- (v) The Demerger and vesting of the Demerged Undertaking into the Resulting Company with effect from the Appointed Date is in the interest of the Shareholders, creditors, employees and all concerned. The scheme shall not, in any manner, be prejudicial to the interests of concerned shareholders or creditors or general public at large.

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D. OPERATION OF THE SCHEME

- (i) Demerged Undertaking of the Demerged Company is proposed to be demerged, pursuant to the applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and/or any other Applicable Laws and be transferred to the Resulting Company for achieving the above mentioned objectives.
- (ii) The Demerged Company will continue its interests in the Remaining Undertaking as is presently being carried out but with greater focus on growth opportunities in its field, the regulatory requirements, risks etc specific to its business.

The Resulting Company shall issue and allot shares to all the shareholders of the Demerged Company as consideration for the transfer of the Demerged Undertaking in proportion to their shareholding in the Demerged Company and simultaneously with such issuance in the books of the Resulting Company all the equity shares issued by the Resulting Company to the Demerged Company shall stand cancelled extinguished and annulled on and from the Effective Date.

- (iii) The Demerger of the Demerged Undertaking in accordance with this scheme shall take effect from the Appointed Date and shall be in accordance with Section 2(19AA) of the Income Tax Act, 1961, such that;
 - (a) all the properties of the Demerged Undertaking being transferred by the Demerged Company as on the Appointed Date shall become the properties of the Resulting Company by virtue of this scheme.
 - (b) all the liabilities relatable to the Demerged Undertaking as on the Appointed Date shall become the liabilities of the Resulting Company by virtue of this scheme.
 - (c) the properties and the liabilities relatable to the Demerged Undertaking being transferred by the Demerged Company shall be transferred to the Resulting Company at the value appearing on the books of account of the Demerged Company immediately before the Demerger.
 - (d) the Resulting Company shall issue and allot its equity shares to each member of the Demerged Company whose name is recorded in the Register of Members on the Record Date, in accordance with the terms of the scheme and without any further application, deed, payment, consent, acts, instruments or deed issue exactly the same quantity fully paid up equity shares of Rs 10 each held by such shareholder or his/her/its heirs, executors, administrators or successors in the Demerged Company.
 - (e) all the shareholders of the Demerged Company as on the Record Date shall become the shareholders of the Resulting Company by virtue of the Demerger and
 - (f) The transfer of the Demerged Undertaking shall be on a going concern basis.



- (iv) The scheme shall be in compliance with the applicable SEBI guidelines including the SEBI circulars CIR/CFD/DIL/5/2013 dated 4 February 2013 and SEBI circular CIR/CFD/DIL/8/2013 dated 21 May 2013 and any subsequent amendments thereof (collectively referred to as the "SEBI Circulars").

E. GENERAL

This scheme is divided into the following parts:

- (i) Part-I, deals with definitions, Interpretation, Effective Date and Share Capital;
- (ii) Part-II, deals with the demerger and hiving off the Demerged Undertaking of Demerged Company on a going concern and transfer to and vesting into the Resulting Company.
- (iii) Part-III, deals with miscellaneous/general terms and conditions applicable to the scheme.

PART-1

1 DEFINITIONS AND INTERPRETATIONS

- 1.1 In this scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings.

"Act" means the Companies Act, 1956 and includes any statutory re-enactments or modification thereof, or amendment thereof, or amendment thereto, from time to time and also mean and refer to corresponding sections of Companies Act, 2013 as and when such corresponding sections are notified in the official gazette of India by the Central Government.

"Applicable Laws" means any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force.

"Appointed Date" means opening business hours of 31.05.2016 or any such date which may be fixed by the Hon'ble High Court of this scheme.

"Appropriate Authority" means and includes any governmental, statutory, departmental or public body or authority, including Securities and Exchange Board of India, BSE, NSE, Registrar of Companies, National Company Law Tribunal and the High Court of Delhi.

"Board" in relation to each of the Demerged Company and the Resulting Company as the case may be means the board of directors of such company and shall include a committee duly constituted and authorised for the purposes of matters pertaining to the Demerger the scheme and/or any other matter relating thereto.

"BSE" means the BSE Limited.



“Real Estate Business” means the business activity carried out by the Demerged Undertaking of Demerged Company.

“Demerged Company” means Blueblood Ventures Limited, a company incorporated under the provisions of the Indian Companies Act, 1956 as on 23rd day of February, 2007 bearing CIN U70102DL2007PLC159680 and having its registered office at P-27, Malviya Nagar, New Delhi-110017

“Demerged Undertaking” means and include all the business, undertakings, properties, investments and liabilities of whatsoever nature and kind and wheresoever's situated of the Demerged Company, in relation to and pertaining to the Real Estate Business on a going concern basis together with all its assets and liabilities and shall mean and include (without limitation).

- (a) all the assets whether movable and immovable properties including plant and machinery, equipment, furniture, fixtures, vehicles, stocks and inventory, leasehold assets and other properties, real, corporeal and incorporeal in possession or reversion, present and contingent assets(whether tangible or intangible) of whatsoever nature in relation to the Real Estate business, investments, powers, authorities, allotments, approvals,, consents, letters of intent, registrations, contracts, engagements, arrangements, settlements, rights, credits, titles, interests, benefits, advantages, leasehold rights, sub letting tenancy rights with or without the consent of the lessor/landlord as may be required by law, goodwill, other intangibles, industrial and other licenses, permits, authorizations, 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 provisions, funds and benefits of all 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 etc, all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges concerning the Real Estate business and approvals of whatsoever nature(including but not limited to benefits of all tax holiday, tax relief including under the Income Tax Act, 1961 such as credit for advance tax, taxes deducted at source, brought forward accumulated tax losses, unabsorbed depreciation, minimum alternate tax(“MAT”) etc) and wheresoever's 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 in relation to the Real Estate Business as on the Appointed Date.
- (b) all the debts, borrowings, obligations and liabilities whether present or future whether secured or unsecured of the Demerged Company in relation to the Real Estate Business as on the Appointed Date comprising of:
 - (i) all the debts, duties, obligations, and liabilities, including contingent liabilities which arises out of the activities or operations of the Demerged Company in relation to the Real Estate Business and all other debts, liabilities, duties and obligations of the Demerged Company relating to the Demerged Company relating to the Demerged Undertaking which may accrue or arise after the Appointed Date




(d) but which related to the period up to the day of immediately preceding the Appointed Date;

- (ii) the specific loans and borrowings raised incurred and utilised solely for the activities and operations of Demerged Company in relation to the Real Estate Business and
- (iii) liabilities other than those referred to in sub clauses (i) and (ii) above and not directly relatable to the Real Estate Business being the amounts of any general or multipurpose borrowings of Demerged Company of Demerged Company as stand in the same proportion which the value of assets transferred under this clause of Real Estate Business bears to the total value of the assets of the Demerged Company immediately before the Appointed Date;
- (c) All intellectual property rights, including trademarks, trade names and the goodwill associated therewith, patents, patent rights, copyrights and other industrial designs and intellectual properties and rights of any nature whatsoever including know-how, or any applications for the above assignments and grants in respect thereof of the Demerged Company in relation to the Real Estate Business as on the Appointed Date;
- (d) All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the Real Estate Business of the Demerged Company as on the Appointed Date; and
- (e) All employees of the Demerged Company engaged in the Real Estate Business.

Any question that may arise as to whether a specific asset(tangible or intangible) or any liability pertains or does not pertain to the Real Estate Business or whether it arises out of the activities or operations of the Real Estate Business or not, shall be decided by the Board of the Demerged Company or any committee thereof.

“Effective Date” or “upon this scheme become effective” or “upon coming into effect of this scheme” means the later of the Appointed Date or the last of the dates on which the certified copy or authenticated copy of the order of High Court sanctioning the scheme is filed with the Registrar of Companies by the Demerged Company and the Resulting Company.

“Parties or “Parties to the Scheme” means the Demerged Company and the Resulting Company.

“Record Date” means the date to be fixed by the Board of Directors of the Demerged Company in consultation with the Resulting Company for the purpose of reckoning names of the equity shareholders of the Demerged Company, who shall be entitled to receive shares of the Resulting Company upon coming into effect of this scheme as specified in Clause 10.1 of this scheme and in terms of the Listing Agreement.

"Registrar of Companies" means the Registrar of Companies, NCT of Delhi & Haryana.

"Remaining Undertaking" means all the undertakings, businesses, activities and operations of the Demerged Company other than those comprised in the Demerged Undertaking.

"Resulting Company" means Devoted Construction Limited, a Company incorporated under the provisions of the Companies Act, 2013 as on 10th May, 2016 bearing CIN U45500DL2016PLC299428 and having its Registered Office at P-27, Malviya Nagar, New Delhi-110017.

"Resulting Company Depository" means the depository appointed by the Resulting Company pursuant to the Resulting Company Deposit Agreement.

"Rs" means Indian Rupees, the lawful currency of the Republic of India.

"Scheme", "the Scheme", "this Scheme", "Scheme of Arrangement" means this scheme of Arrangement (Demerger) in its percent form or as modified by an agreement between the Parties submitted to the High Court or any other Appropriate Authority in the relevant jurisdictions with any modification thereof as the High Court or any other Appropriate Authority may direct.

"SEBI Circulars" shall mean the Circulars issued by the Securities and Exchange Board of India SEBI Circular CIR/CFD/DIL/5/2013 dated 4 February 2013 and SEBI Circular CIR/CFD/DIL/8/2013 dated 21 May 2013 and any amendments thereof.

"Stock Exchanges" means the BSE Limited

2. INTERPRETATION

2.1 The expressions which are used in this scheme and not defined in this scheme shall, unless repugnant or contrary to the context or meaning thereof have the same meanings ascribed to them under the Act and the Securities Contracts(Regulations) Act, 1956, the Depositories Act, 1996, the Income Tax Act, 1961 and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time. In particular, wherever reference is made to the Hon'ble High Court in this Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal ("NCLT") or such other forum or authority, as may be vested with any of the powers of a High Court under the Act.

2.2 In this Scheme, unless the context otherwise requires:

- (i) words denoting singular shall include plural and vice versa,
- (ii) headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation,
- (iii) references to the word "include" or "including" shall be construed without limitation.
- (iv) a reference to an article, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, section, paragraph or schedule of this scheme.
- (v) Unless otherwise defined, the reference to the word "days" shall mean calendar days,

- (vi) References to dates and times shall be construed to be references to Indian dates and times,
- (vii) Reference to a document includes an amendment or supplement to or replacement or novation of that document.
- (viii) Word and expression(s) elsewhere defined in this scheme will have the meaning(s) respectively ascribed to them.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

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

4. SHARE CAPITAL

4.1 The share capital of the Demerged Company as on 30.06.2016 is as under:

Particulars	Amount (Rs)
<u>AUTHORISED CAPITAL</u>	
31,00,000 Equity Shares of Rs 10/- each	3,10,00,000
Total	<u>3,10,00,000</u>
<u>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</u>	
30,01,080 Equity Shares of Rs 10/- each fully paid up	3,00,10,800
Total	<u>3,00,10,800</u>

The equity shares of the Demerged Company are listed on BSE

4.2 The Share Capital of the Resulting Company as on 30.6.2016 is as under:

Particulars	Amount (Rs)
<u>AUTHORISED CAPITAL</u>	
31,00,000 Equity Shares of Rs 10/- each	3,10,00,000
Total	<u>3,10,00,000</u>
<u>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</u>	
10,000 Equity Shares of Rs 10/- each fully paid up	1,00,000
Total	<u>1,00,000</u>

The entire share capital of the Resulting Company as on 30.06.2016 is held by the Demerged Company and hence Resulting Company is a Wholly Owned Subsidiary of the Demerged Company.



PART-II

DEMERGER AND DIVIDING OFF OF THE DEMERGED UNDERTAKING

5. TRANSFER OF ASSETS

5.1 With effect from the Appointed Date and upon coming into effect of this scheme, the Demerged Undertaking(including all the estate, assets, rights, claims, title, interest and authorities including and appurtenances of the Demerged Undertaking) shall, pursuant to the provisions of Sections 391 to 394 of the Act and all other provisions of the Act and Section 2(19AA) of the Income Tax Act, 1961 and without any further act, deed and vested in or shall be deemed to be transferred to and vested in the Resulting Company on a going concern basis such that all the properties, assets, rights, claims, title, interest, authorities, investments and liabilities comprised in the Demerged Undertaking immediately before the demerger shall automatically and without any other order to this effect, become the properties, assets, rights, claims, title, interest, authorities, investments and liabilities of the Resulting Company simply by virtue of approval of the scheme and in the manner provided in this scheme with effect from the effective date.

5.2 Without prejudice to the generality of Clause 5.1 above and upon coming into effect of the scheme, with effect from the Appointed Date, the entire business and undertaking of the Demerged Company in relation to the Demerged Undertaking including all the properties, investments, shareholding interests in other companies, claims, title, interest, assets of whatsoever nature such as licenses and all other rights, title, contracts or powers of every kind, nature and description of whatsoever nature and wheresoever's situated shall pursuant to the Provisions of Section 394 and other applicable provisions, if any, of the Act and pursuant to the order of the High Court sanctioning this scheme and without further act or deed or instrument, but subject to the charges affecting the same as on the Appointed Date, be and stand automatically transferred to and vested in the Resulting Company as a going concern.

Provided that for the purpose of giving effect to the vesting order passed under sections 391 to 394 of the act in respect of this scheme, the Resulting Company shall at any time pursuant to the final approval and the relevant orders on this scheme, be entitled to get effected the change in the title and the apartment legal right(s) upon the vesting of such properties (including immovable properties) of the Demerged Undertaking in accordance with the provisions of Section 391 to 394 of the Act, at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated, without any other order to this effect.

5.3 In respect of such of the assets and properties of the Demerged Undertaking as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession or by endorsement and/or delivery, the same shall with effect from the appointed date stand so transferred by the Demerged Company upon coming into effect of the scheme and shall, ipso facto and without any other order to this effect, become the assets and properties of the Resulting Company.

5.4 With effect from the appointed date, all consents, permissions, licenses, certificates, insurance covers, clearances, authorities, powers of attorney given by the issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking shall stand vested in or



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transferred automatically to the Resulting Company without any further act or deed and shall be appropriately mutated by the authorities concerned therewith in favour of the Resulting Company as if the same were originally given by issued to or executed in favour of the Resulting Company and Resulting Company shall be bound by the terms thereof, the obligations and duties there under and the rights and benefits under the same shall be available to the Resulting Company. The benefit of all statutory and regulatory permissions including the statutory or other licenses, tax registrations, permits, permissions or approvals or consents required to carry on the operations of the Demerged Undertaking shall automatically and without any other order to this effect vest into and become available to the Resulting Company pursuant to this Scheme.

5.5 The Demerged Company in relation to the Demerged Undertaking may be entitled to various incentive schemes and pursuant to this scheme, it is declared that the benefits under all such schemes and policies pertaining to the Demerged Undertaking shall be automatically transferred to and vested into the Resulting Company and all benefits, entitlements and incentives of any nature whatsoever including benefits under the income tax, excise, sales tax, service tax, exemptions, concessions, remissions, subsidies and other incentives in relation to the Real Estate Business to the extent statutorily available shall be claimed by the Resulting Company. The Resulting Company shall be entitled to get credit/claim refund regarding any tax paid and/or tax deduction at source certificates pertaining to Demerged Undertaking on or after the Appointed Date by the Demerged Company.

5.6 It is clarified that, upon the Effective Date and until the licences, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, rehabilitation schemes, special status are transferred, vested recorded effected and or perfected, in the record of the relevant regulator/ authority, in favour of Resulting Company, the Resulting Company is authorised to carry on business in the name and style of the Demerged Company and under the relevant license and or approval as the case may be and the Resulting Company shall keep of record and or account of such transactions.

6. TRANSFERS OF LIABILITIES

6.1 With effect from the Appointed Date and upon coming into effect of this Scheme, all loans raised and utilized and all debts, duties, undertakings, liabilities and contingent liabilities and all other debts, liabilities, duties, and obligations of the Demerged Company relating to the Demerged Undertaking which may accrue or arise after the Appointed Date but which related to the period up to the day of immediately preceding the Appointed Date, if any, whether quantified or not and obligations incurred or undertaken by the Demerged Undertaking in relation to or in connection with the Demerged Undertaking as on the Appointed Date shall pursuant to the sanction of the scheme by the High Court and under the provisions of Sections 391 to 394 and other applicable provisions of the Act, without any further act, instrument or deed being required, be and shall stand automatically transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company to the extent that they may be outstanding as on the Appointed Date and shall become the debt, duties, undertakings, liabilities and obligations of the Resulting Company on the same terms and conditions as were applicable to the Demerged Company and further that it shall not be necessary to obtain the consent of any third party or person who is a party to any contract or

arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 6.

- 6.2 In so far as any encumbrances in respect of the loans, borrowings, debts and liabilities of the Demerged Company in relation to or in connection with the Demerged Undertaking ("Transferred liabilities") is concerned, upon the coming into effect of this scheme and with effect from the Appointed Date, such encumbrance shall, without any further act, instrument or deed being required be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which may have been encumbered in respect of the Transferred Liabilities as transferred to the Resulting Company pursuant to this Scheme. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the remaining undertaking are concerned, the encumbrance, if any, over such assets relating to the Transferred Liabilities, as and from the Appointed Date without any further act, instrument or deed being required be released and discharged from the obligations and encumbrances relating to the same. Further in so far as the assets comprised in the Demerged Undertaking are concerned, the encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which shall continue with the Demerged Company shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities with effect from the Appointed Date and upon the coming into effect of this scheme.

Provided always that this Scheme shall not operate to enlarge the security from any loan deposit or facility created by the Demerged Company in relation to the Real State Business by virtue of this Scheme and the Resulting Company shall not be obliged to create any further or additional security therefore after the scheme has become operative.

- 6.3 Upon the effectiveness of the scheme, the Demerged Company and the Resulting Company shall execute any instrument or document and/ or do all such acts or deeds as may be required, including filing it necessary particulars and/or modification of the charge, if any, with the respective Registrar of Companies to give formal effect to the provisions of this Clause 5.

7. CONTRACTS, DEEDS AND OTHER INSTRUMENTS ETC.

- 7.1 Subject to the other provisions of this scheme and upon coming into effect of this scheme and with effect from the Effective Date all contracts, deeds, bonds, agreements, settlements, indemnities, arrangements, licenses, engagements and other instruments, if any, of whatsoever nature in relation to the Demerged Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company is eligible and which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect automatically against or in favour of the Resulting Company as the case may be and shall be binding on and be enforceable by or against the Resulting Company as fully and effectually as if instead of the Demerged Company the Resulting Company had been originally a party or beneficiary or oblige thereto or there under.



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7.2 Without prejudice to the other provisions of this scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this scheme itself the Resulting Company may at any time after coming into effect of the scheme, take such actions and execute such deeds, writings or confirmations, novations or enter into arrangements with any party to any contract or arrangement to which the Demerged Company is a party in order to give formal effect to the provisions of this scheme, if so required. The Resulting Company shall be deemed to be competent and authorised to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to perform or carry out all formalities or compliances required on the part of Demerged Company to give effect to the provisions of this scheme.

7.3 After the scheme becomes effective the Resulting Company shall in its own right be entitled to realize all monies and complete and enforce all pending contracts and transactions in respect of the Demerged Undertaking.

8. STAFF AND EMPLOYEES

8.1 Upon the coming into effect of this scheme:

8.1.1 All staff, and employees of the Demerged Company engaged in or in relation to the Demerged Undertaking and who are in such employment as on the Appointed Date shall be transferred to and become the employees of the Resulting Company with effect from the Appointed Date (the "Transferred Employees") on the same terms and conditions of employment on which they are engaged by the Demerged Company without any break or interruption in service for the purpose of calculating retirement benefits. The Resulting Company undertakes to continue to abide by any agreement/settlement entered into by the Demerged Company with any union/ employee of the Demerged Company in relation to the Transferred Employees; and

8.1.2 In so far as any provident fund, gratuity fund or any other fund or trusts created by the Demerged Company and existing for the benefit of the employees of the Demerged Company is concerned, the part of such funds relatable to the Transferred Employees shall be continued for the benefit of the Transferred Employees. The Resulting Company shall have the obligation to take all necessary steps to set up its own funds as soon as practicable. In the event the Resulting Company has set up its own funds and the amount in such fund with the Demerged Company in respect of contributions pertaining to the Transferred Employees shall subject to necessary approvals and permissions, if any required be transferred to the relevant funds created by the Resulting Company. Until such time that the Resulting Company creates its own funds and/or trust, the Resulting Company may, subject to necessary approvals and permissions that may be required continue to contribute in respect of the Transferred Employees to the relevant funds of the Demerged Company. At the time that the Resulting Company creates its own funds, the contributions pertaining to the Transferred Employees shall be transferred to the funds created by the Resulting Company.

8.1.3 The Appropriate Authority including the income tax department shall process the setting up of the fund and/trust on the same terms and conditions as is existing with the Demerged Company.

9. LEGAL AND OTHER PROCEEDINGS

- 9.1 Upon the coming into effect of this scheme all suits, actions, administrative proceeding tribunals proceedings, show cause cases, demands and legal proceedings of whatsoever nature by or against the Demerged Company pending and/or arising on or before the Appointed Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of the scheme or by anything contained in this scheme but shall be continued and be forced by or against the Resulting Company with effect from the Appointed Date in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. Except as otherwise provided herein the Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings that stand transferred to the Resulting Company. The Resulting Company shall be replaced/added as party to such proceedings and shall prosecute or defend such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall consequently stand nullified.
- 9.2 If any proceedings are taken or demand is made by the relevant governmental authorities against the Demerged Company in respect of matters referred in Clause 8.1 above, it shall defend the same or deal with such demand in accordance with the advice of the Resulting Company and at the cost of the Resulting Company and the latter shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by or against the Demerged Company in respect thereof.
- 9.3 The Resulting Company undertakes to have all legal, taxation or other proceedings initiated by or against the Demerged Company referred in Clause 8.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same Continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company on priority. Both parties shall make relevant applications and take steps as may be required in this regard.

10. ISSUE AND ALLOTMENT OF SHARES/SHARE ENTITLEMENT RATIO

- 10.1 Upon the scheme becoming effective and in consideration of the demerger and hiving off including the transfer and vesting of the Demerged Undertaking in the Resulting company pursuant to provisions of this scheme, the Resulting company shall without any further act, deed, issue and allot to each member of the Demerged Company, whose name is recorded in the Register of members on the Record Date, in accordance with the terms of the scheme and without any further application, act, deed, payment, consent, acts, instrument or deed issue exactly the same quantity fully paid up equity shares of Rs 10 each held by such shareholder or his/her/its heirs, executors, administrators or successors in the Demerged Company. There is no change in shareholding pattern of Demerged Undertaking and Demerged Company. Every shareholder of Demerged Company will hold equal number of shares of the Demerged Undertaking.
- 10.2 Simultaneously with the issue and allotment of the new equity shares by the Resulting Company to the equity shareholders of the Demerged Company in accordance with Clause 10.1 of this scheme,

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in the books of the Resulting Company, all the equity shares issued by the Resulting Company to the Demerged Company shall stand cancelled, extinguished and annulled on and from the Effective Date

- 10.3 Share Entitlement Ratio adapted under the scheme is that, for every one share of Blueblood Ventures Limited, one share of Devoted Construction Limited will be issued. The scheme will result in mirror image of shareholders of Demerged Company (BVL) and Resulting Company (DCL). This has been considered by the Board of Directors of Demerged Company & Resulting Company.
- 10.4 The equity shares to be issued by the Resulting Company pursuant to Clause 10.1 above shall be issued in dematerialized form by the Resulting Company, unless otherwise notified in writing by the Shareholders of the Demerged Company to the Resulting Company on or before such date as may be determined by the Board of Demerged Company or a committee thereof. In the event that such notice has not been received by the Resulting Company in respect of any of the members of the Demerged Company, the equity shares shall be issued to such members in dematerialized form provided that the members of the Resulting Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that the Resulting Company has received notice from any member that equity shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required or if the details furnished by any member do not permit electronic credit of the shares of the Resulting Company, then the Resulting Company shall issue equity shares in physical form to such member or members.
- 10.5 The equity shares issued and allotted by the Resulting Company in terms of this scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and shall rank pari passu inter se in all respects including dividends declared, voting and other rights. The issue and allotment of equity shares of Resulting Company in terms of this scheme shall be deemed to have been carried out as if the procedure laid down under section 62(1)(c) of the Companies Act, 2013 and any other applicable provisions of the act have been complied with.
- 10.6 The Resulting Company shall apply for listing of its equity shares including those issued in terms of Clause 10.1 above on BSE in terms of the SEBI Circulars within a reasonable time from the receipt of the order of the High Court and in compliance of the SEBI Circulars. The shares allotted by the Resulting Company pursuant to the scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
- 10.7 There shall be no change in the shareholding pattern of the Resulting Company between the Record Date and the listing which may affect the basis on which approval is received from the Stock Exchanges.
- 10.8 Upon coming into effect of this scheme and issuance of shares in the Share Entitlement Ratio by the Resulting Company pursuant to provisions of Clause 10.1 above, the Resulting Company shall issue to the Depository shares of the Resulting Company in accordance with the Share Entitlement Ratio.

11. DIVIDENDS

- 11.1 The Demerged Company and the Resulting Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date but only consistent with the past practice, or in the ordinary course.
- 11.2 Upon the scheme becoming effective on and from the Appointed Date, the profits and losses as the case may be of the Demerged Undertaking shall belong to and be the profits and losses as the case may be of the Resulting Company and will be available to Resulting Company for being disposed of in any manner as it thinks fit.
- 11.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of Demerged Company and/or Resulting Company to demand or claim any dividends which subject to the provisions of the said act, shall be entirely at the discretion of the Board of Demerged Company and Resulting Company respectively, subject to such approval of the Shareholders as may be required.

12. ACCOUNTING TREATMENT

- 12.1 Accounting treatment in the books of the Demerged Company:
 - 12.1.1 The assets and liabilities of the Demerged Company pertaining to the Demerged Undertaking being transferred to the Resulting Company shall be at values appearing in the books of accounts of the Demerged Company on the close of business on 31st May, 2016.
 - 12.1.2 The excess of the value of assets over the value of liabilities which have been transferred pursuant to the scheme shall be appropriated against in the following order: the securities premium account, the general reserves account and where there remains any outstanding balance, after appropriation from the aforesaid reserves in the stipulated order, will be further adjusted against the Profit & Loss Account of the Demerged Company or the treatment will be given as per the applicable law in force on the Effective Date of the scheme.
 - 12.1.3 The excess of the value of liabilities over the value of assets which have been transferred pursuant to the scheme shall be credited to general reserves or any other reserve as per the law in force on the Effective Date on the scheme
- 12.2 In the books of the Resulting Company
 - 12.2.1 Upon coming into effect of this scheme and upon the arrangement becoming operative, the Resulting Company shall record the assets and liabilities comprised in the Demerged Undertaking transferred to and vested in it pursuant to this scheme at the same value appearing in the books of Demerged Company on the close of business on 31st May, 2016.
 - 12.2.2 The Resulting Company shall credit its share capital account in its books of account with the aggregate face value of the new equity shares issued to the shareholders of Demerged Company pursuant to Clause 10.1 of this scheme.



- 12.2.3 The excess or deficit, if any, remaining after recording the aforesaid entries shall be debited by the Resulting Company to goodwill or credited to Capital Reserve Account as the case may be.

13. REMAINING BUSINESS

- 13.1 The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and remain vested in and be managed by the Demerged Company.
- 13.2 All legal taxation and/or other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter and relating to the remaining business of the Demerged Company (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.
- 13.3 If proceedings are taken against the Resulting Company in respect of matters referred to in Clause 12.2 above relating to the Remaining Business, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company and the latter shall reimburse and indemnify the Resulting Company, against all liabilities and obligations by the Resulting Company in respect thereof.
- 13.4 With effect from the Appointed Date and up to and including the Effective Date:
- 13.4.1 The Demerged Company shall carry on and be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;
- 13.4.2 All profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company; and
- 13.4.3 All assets and properties acquired by the Demerged Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.

14. SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of the scheme, the transfer and vesting of the Demerged Undertaking and continuance of proceedings by or against the Resulting Company, as provided herein, shall not affect any transactions or proceedings already concluded by the Demerged Company before the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by and/or on behalf of the Resulting Company.

15. CONDUCT OF THE BUSINESS OF THE DEMERGED UNDERTAKING

Upon filing the Scheme with the High Court and up to and including the Effective Date:

- 15.1 The Demerged Company shall be deemed to have been carrying on and shall carry on the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets for and on account of and in trust for the Resulting Company. The Demerged Company hereby undertakes to hold its assets with utmost prudence until the Effective Date.
- 15.2 The Demerged Company shall carry on the business and activities of the Demerged Undertaking with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of the Resulting Company, alienate charge, mortgage, encumber or otherwise deal with or dispose of any business or part thereof.
- 15.3 With effect from the Appointed Date, all the profits or income accruing or arising to the Demerged Company or expenditure or losses arising or incurred or suffered by Demerged Company, in relation to the Demerged Undertaking shall for all purposes be treated as and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of the Resulting Company.
- 15.4 The Demerged Company shall not vary the terms and conditions of any agreements or contracts in relation to the Demerged Undertaking except in the ordinary course of business or without the prior consent of the Resulting Company or pursuant to any pre-existing obligation undertaken by them, as the case may be.
- 15.5 The Demerged Company and the Resulting Company shall be entitled, pending sanction of the scheme, to apply to the Central/ State Government and all other agencies, departments and authorities concerned as are necessary under any law or rules for such consents, approvals and sanctions, which may be required pursuant to this scheme.

PART-III

MISCELLANEOUS/GENERAL TERMS AND CONDITIONS

16. IMMEDIATELY UPON THE SCHEME BEING EFFECTIVE:

- 16.1 The Demerged Company and the Resulting Company shall enter into shared services agreements inter alia in relation to use by the Resulting Company of office space, infrastructure facilities, club membership facilities, information technology services, security personnel, legal, administrative and other services, etc. of the Demerged Company on such terms and conditions that may be agreed between the Parties and on payment of consideration on an arm's length basis;
- 16.2 To facilitate intercompany lending and investments for meeting business needs, the Board of the Demerged Company shall be deemed to have been authorised to give loans to and/or give any



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guarantee or provide security in connection with a loan to any associate, person or body corporate(excluding exposure to wholly owned subsidiaries and joint ventures which are exempted under section 186(3) of the Companies Act, 2013) and/or acquire by way of subscription, purchase or otherwise, the securities of any associate, joint ventures or body corporate(excluding exposure to wholly owned subsidiaries which are exempted under section 186(3) of Companies Act 2013) upto an aggregate amount not exceeding Rs 100,00,00,000(Rupees Hundred Crore), notwithstanding that the aggregate of the loans or guarantees or securities so far given or to be given and/or securities so far acquired or to be acquired by the Demerged Company may collectively exceed the limits prescribed under section 186 of the act;

16.3 The Board of the Resulting Company shall be deemed to have been authorised to give loans to any subsidiary companies(including overseas subsidiaries) and/or give any guarantee or provide security in connection with a loan to any subsidiary company(ies) (including overseas subsidiaries) and/or acquire by way of subscription, purchase or otherwise, the securities of any subsidiary company(ies) (including overseas subsidiaries) upto an aggregate amount not exceeding Rs 100,00,00,000(Rupees Hundred Crore), notwithstanding that the aggregate of the loans or guarantees or securities so far given or to be given and/or securities so far acquired by the Resulting Company may collectively exceed the limits prescribed under section 186 of the Act;

16.4 It is clarified that the approval to the scheme by the shareholders of the Demerged Company and Resulting Company under sections 391 and 394 of the Act shall be deemed to have their approval under: (i) Sections 180(1)(c), 186, 188 and any other applicable provisions under the Companies Act 2013 and (ii) the Listing Agreement and that no separate approval from the shareholders to that extent shall be required to be sought by the Parties for the matters specified in the Clause 17.

17. The Resulting Company and the Demerged Company, with the approval of their respective Board, shall be entitled to issue bonus shares, right issue, reclassify, consolidate, sub-divide and/or split their shares subject to requirements pursuant to commitments, obligations or arrangements existing prior to the scheme coming into effect.

18. APPLICATIONS TO THE HIGH COURT(S)

The Demerged Company and the Resulting Company shall, within a reasonable time dispatch, make necessary applications under the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act to the respective High Court interalia for convening/dispensing with the meetings of shareholders and creditors and sanction of this scheme and for other reliefs.

19. MODIFICATIONS OR AMENDMENTS TO OR IMPLEMENTATION OF THE SCHEME

19.1 The Demerged Company and the Resulting Company may assent from time to time on behalf of their respective creditors, employees and all persons concerned to any modification or amendment or additions to this scheme or to any conditions or limitations which either the Boards or a committee of the concerned Boards or any Authorised Signatory as authorised by the Boards of the

Demerged Company and the Resulting Company may deem fit, or which the High Court(s) or any other authorities under law may deem fit to approve of or impose.

- 19.2 The Demerged Company and the Resulting Company may in their discretion will resolve all doubts or difficulties that may arise for carrying out this scheme and to do and execute and perform all acts, deeds, matters and things necessary for bringing this scheme into effect or to review the position relating to the satisfaction of the conditions to this scheme and if necessary, to waive any of those for bringing this Scheme into effect.
- 19.3 In the event this scheme not being sanctioned by the High Court(s) or such other appropriate authority and/or order or orders not being passed as aforesaid this Scheme shall stand revoked, cancelled and be of no subject.
- 19.4 In the event of any inconsistency between any of the terms and conditions of an earlier arrangement between the Demerged Company and the Resulting Company and their respective shareholders and/or Creditors, and the terms and conditions of the scheme, the latter shall prevail.
- 19.5 In the event that the Demerged Company or the Resulting Company may find any of the modifications or conditions which may be imposed by the High Court(s) or other authorities unacceptable for any reason, then the Demerged Company and the Resulting Company are at liberty to withdraw the Scheme. The aforesaid powers of the Demerged Company and the Resulting Company may be exercised by the Authorised Signatory of the respective Companies.
- 19.6 In the event of withdrawal of the Scheme, no rights and liabilities whatsoever shall accrue to or be incurred inter se to the Demerged Company and the Resulting Company, their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto and which shall be governed and be preserved or worked out in accordance with the applicable law.
- 19.7 For the purpose of giving effect to this scheme or to any modifications or amendments thereof or additions thereto, the Demerged Company and the Resulting Company or their Authorised Signatory may give and are authorised to determine and give all such directions as may be necessary including directions for settling or removing any question of doubt or difficulty that may arise on any account and between any persons including, 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.
- 19.8 If any part of this Scheme hereof is invalid, ruled illegal by any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve or the parties the benefits and obligations of the Scheme, including but not limited to such part.



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

20. THE SCHEME IS CONDITIONAL ON AND SUBJECT TO:

- 20.1 The scheme being approved by the requisite majorities in number and value of such classes of persons including the members and/or creditors of the parties to the scheme as may be directed by the High Court or any other Appropriate Authority as may be applicable;
- 20.2 The parties complying with their other provisions of the SEBI Circulars, including the requirements stated in Clause 21.1 above.
- 20.3 The sanction or approval of the Appropriate Authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required; and
- 20.4 The sanction of the High Court, under sections 391 to 394, in favour of the Demerged Company and Resulting Company to the necessary order or orders under section 394 of the Act, being obtained.

22. RIGHT TO REVISE TAX RETURNS

It is clarified that all the taxes and duties payable by the Demerged Company including all tax credits, advance tax payments, service tax, tax deducted at source, MAT credit, tax liabilities or any refund and claims, from the Appointed Date shall, for all purposes, be treated as tax credits, MAT advance tax payments, tax deducted at source, MAT Credit, tax liabilities or refunds and claims of the Resulting Company. Accordingly upon the Scheme becoming effective, the Resulting Company is expressly permitted to revise and file income tax returns and other tax returns, and to claim refunds/credits, pursuant to the provisions of this Scheme.

23. COSTS, CHARGES AND EXPENSES

All costs, charges and expenses, including any taxes and duties of the Demerged Company and the Resulting Company respectively in relation to or in connection with this scheme and incidental to the completion of the Demerger in pursuance of this Scheme shall be borne and paid by the Resulting Company.

24. DISPUTE RESOLUTION

All questions, issues, disputes and differences of any kind whatsoever which may arise between Demerged Company, Resulting Company and/or any of their shareholders, directors, Creditors, employees and/or any other person concerned, whether claiming to be a shareholder, director,



creditor or employee or otherwise and/or inter se between any of the persons mentioned above, whether arising out of or in connection with or arising out of or relating to this Scheme and/or its implementation, shall if not amicably resolved between the parties within a period of 30 days, shall be referred to a sole Arbitrator to be mutually appointed by the Demerged Company and Resulting Company in accordance with the provisions of Arbitration and Conciliation Act, 1996 The Arbitration proceedings shall be conducted at Delhi in English language in accordance with Indian Laws (both Substantive and Procedural) under the Arbitration and Conciliation Act, 1996 as amended and re-enacted from time to time and the award so made shall be final and binding on both Demerged Company and the Resulting Company and/or any of their shareholders, directors. Creditors, employees and/or any other person concerned.

25. GOVERNING LAWS AND JURISDICTION

This Scheme shall be governed by and interpreted in accordance with the laws of India and the civil courts at New Delhi, shall have exclusive Jurisdiction to determine any question, issue, dispute or claim between the Demerged Company and the Resulting Company and/or any of their shareholders, directors. Creditors, employees and/or any other person concerned including any application to be made under the Indian Arbitration and Conciliation Act, 1996.

