

Before the National Company Law Tribunal  
Bench, at Mumbai  
**COMPANY SCHEME APPLICATION NO 2921 OF 2019**  
In the matter of the Companies Act, 2013

And

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

And

In the matter of Scheme of Arrangement between Satellite Developers Private Limited (the Demerged Company) and Sesen Realty Private Limited (the Resulting Company) and their respective Shareholders.

Satellite Developers Private Limited, a )	
company incorporated under the )	
Companies Act, 1913 having its Registered )	
Office at S-14, 7 <sup>th</sup> Floor, Solitaire Corporate )	
Park, Andheri Ghatkopar Link Road, )	
Andheri (East), Mumbai-400 093. )	...Applicant Company/
	Demerged Company.

**NOTICE CONVENING THE MEETING OF PREFERENCE SHAREHOLDERS OF SATELLITE DEVELOPERS PRIVATE LIMITED**

To,

**The Preference Shareholder(s) of Satellite Developers Private Limited (“Demerged Company” or “Applicant Company”)**

Notice is hereby given that by an order dated 29<sup>th</sup> January, 2020 the Mumbai Bench of National Company Law Tribunal has directed a meeting to be held of the Preference Shareholders of the Applicant Company at S-14, 7<sup>th</sup> Floor, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (East), Mumbai-400 093 on Saturday 21<sup>st</sup> day of March, 2020 at 1.00 p.m. for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Satellite Developers Private Limited, the Demerged Company and Sesen Realty Private Limited, the Resulting Company and their respective shareholders (“**Scheme**”).

**TAKE FURTHER NOTICE** that in pursuance of the said Order and as directed therein, a meeting of the Preference Shareholders of the Applicant Company will be held at Registered Office at S-14, 7<sup>th</sup> Floor, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (East), Mumbai-400 093 on Saturday 21<sup>st</sup> day of March, 2020 at 1.00 p.m. at which place, day, date and time you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s).

**“RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the rules, Circulars and notifications made there under (including any statutory modification or re-enactment thereof) as may be applicable and subject to the provisions of the Memorandum and Articles of Association of the company and subject to the approval of the Hon’ble National Company Law Tribunal, Bench at Mumbai 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 NCLT or by any 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 person(s)

which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Arrangement between Satellite Developers Private Limited and Sesen Realty Private Limited and their respective shareholders (“**Scheme**”) placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, 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 accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT 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.”

**TAKE FURTHER NOTICE** that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorized representative, is deposited at the registered office of the Applicant Company at -14, 7<sup>th</sup> Floor, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (East), Mumbai-400 093, not later than 48 (Forty- eight) hours before the time affixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.

Copies of the said Scheme of Arrangement and of the statement under section 230 can be obtained free of charge at the registered office of the company at -14, 7<sup>th</sup> Floor, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (East), Mumbai-400 093.

The Tribunal has appointed Mr. Sarjan Shah, Director of the Applicant Company as the Chairperson for the meeting of Preference Shareholders called under this order and failing him Mrs. Kalpana Shah, Director of the Applicant Company as the alternative Chairman of the aforesaid Meeting called under this order. The above mentioned Scheme of Arrangement, if approved by the meeting, will be subject to the subsequent approval of the Tribunal.

-sd-  
Mr.Sarjan Shah  
Chairman Appointed for the meeting

Place: Mumbai

Date: **10/02/2020**

Registered Office-14, 7<sup>th</sup> Floor, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (East), Mumbai-400 093

Before the National Company Law Tribunal  
Bench, at Mumbai  
**COMPANY SCHEME APPLICATION NO 2921 OF 2020**  
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In the matter of Scheme of Arrangement between Satellite Developers Private Limited (the Demerged Company) and Sesen Realty Private Limited (the Resulting Company) and their respective Shareholders.

**Satellite Developers Private Limited**, a )  
company incorporated under the )  
Companies Act, 1913 having its Registered )  
Office at S-14, 7<sup>th</sup> Floor, Solitaire Corporate )  
Park, Andheri Ghatkopar Link Road, ) ...Applicant Company/  
Andheri (East), Mumbai-400 093. ) Demerged Company.

**Explanatory statement under Section 230 read with section 102 of the Companies Act, 2013 to the Notice of the NCLT convened meeting of the Preference Shareholders of Satellite Developers Private Limited.**

In this statement, **Satellite Developers Private Limited** is referred to as the “**Applicant Company**” or “**Demerged Company**” and **Sesen Realty Private Limited** is referred to as the “**Resulting Company**”. The other definitions contained in the Scheme of Arrangement between Satellite Developers Private Limited and Sesen Realty Private Limited (“Scheme”) will apply to this Explanatory Statement. The following statement as required under section 230 and 102 of the Companies Act, 2013, sets forth the details of the Scheme, its affects and any material interests of the Directors or key Managerial Personnel in their capacity as members.

1. This is a statement accompanying the Notice convening the meeting of the Preference Shareholders of **Satellite Developers Private Limited**, pursuant to an order dated 29<sup>th</sup> **January, 2020** passed before the Mumbai Bench of National Company Law Tribunal at Mumbai in the Company Scheme Application No.2921 of 2019 (hereinafter referred to as the “Order”), to be held on **Saturday 21<sup>st</sup> day of March at 1.00 p.m. at S-14, 7<sup>th</sup> Floor, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (East), Mumbai-400 093** for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Satellite Developers Private Limited, the Demerged Company and Sesen Realty Private Limited, the Resulting Company, subject to confirmation of the Hon’ble Bench at Mumbai.
2. A copy of the Scheme setting out in detail the terms and conditions of the Arrangement approved by the Board of Directors of the Demerged Company and the Resulting Company at their meetings held on 20<sup>th</sup> June, 2019 is attached as Annexure-A .
3. Pursuant to an Order made on January 29, 2020 passed by the Hon’ble National Company Law Tribunal, Mumbai Bench in the Company Scheme Application No. 2921 of 2019, a Meeting of the Preference shareholders of Satellite Developers Private Limited is being convened and held for the purpose of considering and if thought fit, approving, with or without modification(s), the Scheme.

4. Background of the Companies:

4.1 Satellite Developers Private Limited (the “Demerged Company”).

- a) Satellite Developers Private Limited was incorporated on the 17th day of February 1953 under the Companies Act, VII of 1913 under the name “The Selective Chemicals Private Limited”. The said name was changed to “The Selective Chemicals Limited” pursuant to the provisions of section 43A of the Companies Act, 1956 with effect from 29th March, 1996 vide endorsement dated 29th August, 1996 made by Registrar of Companies, Gujarat. The said name was later changed to “The Selective Chemicals Private Limited” consequent upon change in company’s status to a private company vide endorsement made by Registrar of Companies, Gujarat with effect from 4th October, 2001. The said name was there after changed to Satellite Developers Private Limited vide fresh certificate of incorporation dated 30th December, 2003 issued by the Registrar of Companies, Mumbai and later upon conversion into a Public Limited Company, the name was changed to Satellite Developers Limited vide fresh certificate of incorporation dated 14th March, 2008 issued by the Registrar of Companies, Mumbai. The name of the company was there after changed to its present name Satellite Developers Private Limited consequent upon conversion from public company to private company vide fresh certificate of incorporation dated 2nd January, 2016 issued by the Registrar of Companies, Mumbai. The Demerged Company is a private limited company and its Corporate Identification Number is U24291MH1953PTC139290. The Permanent Account Number of the Demerged Company is AADCS0420Q.

The equity shares of the Demerged Company are not listed on any stock exchange.

- b) The Registered Office of the Demerged Company is situated at S-14, 7<sup>th</sup> Floor, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (East), Mumbai-400 093. There has been no change in the registered office of the Demerged Company during the last five years. The E-mail address of the Demerged Company is “cs@groupsatellite.com”.
- c) The Demerged Company is engaged in the business of (a) Real estate development on mill land (b) Real estate development on slum land and (c) Real estate development on land other than mill/slum land.
- d) The authorized, issued, subscribed and paid up Share Capital of the Demerged Company as on the 31/03/2019 (i.e. immediately before the Appointed Date 01/04/2019) is as under:

Authorized Capital	Amount Rs.
5,98,50,000 "Class A" Equity Shares of Rs.`10 each	59,85,00,000
1,00,000 "Class B" Equity Shares of Rs.10 each	10,00,000
20,00,000 "Class C" Equity Shares of Rs.`10 each	2,00,00,000
50,000 10% Redeemable Non Cumulative Preference Shares of Rs.`10 each	5,00,000
<b>TOTAL</b>	<b>62,00,00,000</b>
<b>Issued, Subscribed and Fully Paid up</b>	<b>Amount Rs.</b>
5,21,90,691"Class A" Equity Shares of Rs.10 each	52,19,06,910



5600 Class B Equity Shares of Rs.10 each	56,000
12,00,000 Class C Equity Shares of Rs.10 each	1,20,00,000
164 Preference Shares of Rs.10 each	1640
<b>TOTAL</b>	<b>53,39,64,550</b>

Subsequent to the above date and till the date of approval of the Scheme by the Board of Directors as also on the date of the accompanying notice of meeting, there has been no change in the issued, subscribed and paid up capital of the Demerged Company.

- e) The details of Directors of Satellite Developers Private Limited along with their addresses are mentioned herein below:

Sr.No	Name of Director	Category	Address
1.	Mrs. Kalpana Pankaj Shah	Director	The View, 165, Dr. Annie Besant Road, Worli, Mumbai-400 018
2.	Mr. Sarjan Pankaj Shah	Director	The View, 165, Dr. Annie Besant Road, Worli, Mumbai-400 018

- f) The objects for which the Demerged Company was originally incorporated on the 17th day of February 1953 under the Companies Act, VII of 1913 consisted of several objects including interalia the object of undertaking the business of real estate development and construction. Following the coming into force of the Companies Act, 2013, the demerged Company vide Special Resolution passed in the Extra Ordinary General Meeting of Members held on 9th January, 2019 amended the objects clause of the Memorandum of association consistent with the provisions the Companies Act, 2013 where under the present main objects of the Company are as under :

*“1. To purchase, acquire, take on lease or in exchange, hire, reclamation or in any other lawful manner any area, land, immovable property, building, structure or development rights, easement, estate or interest therein and preparing, building sites by surveying, planning, leveling, planting, paving, draining farming and cultivating land, converting and appropriating any such land into and for roads, streets, squares, grounds, gardens other conveniences and to develop, redevelop, including redevelopment of slums, build erect, construct, reconstruct, alter, improve, enlarge, decorate, furnish and maintain buildings, chawls, houses, apartments flats, residential township or complexes, office, office complex, factories, shop offices, garages, warehouse, industrial, institutional or commercial township, markets, all or any of infrastructure, infrastructure projects, holiday resorts, hotels, motels, shopping malls, swimming pools, entertainment, complexes, nursing homes, godowns, and all kinds of structure and by leasing letting (on building, lease or building agreement or otherwise), selling (by installments or otherwise) and otherwise disposing off the same and to carry on the business of civil engineers, surveyors, designer, town planner, estimator, valuers, interiors and exterior decorators, brokers, general and government civil contractors of immovable properties including building, highways, roads, bridges, in general and all types of structural and piling engineering work, interior designing and graphics and to act as consultants for any of the said business activities and to provide all kinds of services in connection therewith.”*

- g) The amount due to Secured Creditors as on 30/09/2019 as per the provisional Un audited accounts as on that date of the Demerged Company is Rs. 1152,39,10,111/-.

- h) The amount due to Unsecured Creditors as on 30/09/2019 as per the provisional Un audited accounts as on that date of the Demerged Company is Rs. 593,07,55,007/-.

#### 4.2 Sesen Realty Private Limited (the “Resulting Company”)

- a) Sesen Realty Private Limited was incorporated on 22<sup>nd</sup> March, 2018 under the provisions of the Companies Act, 2013 under the name of Enrollbiz Consultants Private Limited. The name of the company was there after changed to its present name Sesen Realty Private Limited vide certificate of incorporation pursuant to change of name dated 4<sup>th</sup> February, 2019 issued by the Registrar of Companies, Mumbai. The Resulting Company is a private limited company and its Corporate Identification Number is U70100MH2018PTC306952. The Permanent Account Number of the Resulting Company is AAECE9872B.

The equity shares of the Resulting Company are not listed on any stock exchange.

- b) The Registered Office of the Resulting Company following its incorporation on 22/03/2018 was situated at 1, Ground Floor, Plot-409/6,1, Jai Santoshi Mata CHS, Sion Road No 29, Near Dalda Company Sion (east), Mumbai-. Subsequently, the Registered office of the Resulting Company was shifted w.e.f 09/01/2019 to its present address at S-14, 7<sup>th</sup> Floor, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (East), Mumbai-400 093. . The E-mail address of Sesen Realty Private Limited is “cs@groupsatellite.com ”
- c) The Resulting Company proposes to undertake the business of real estate development and construction.
- d) The authorized, issued, subscribed and paid up Share Capital of the Resulting Company as on the 31/03/2019 (i.e. immediately before the Appointed Date 01/04/2019) is as under:

<b>Authorized Capital</b>	<b>Amount Rs.</b>
Comprising 1,00,000 equity shares of Rs. 10 each and 50,000 preference shares of Rs.10/- each.	15,00,000
<b>Issued, Subscribed and Paid-Up Capital</b>	<b>Amount Rs.</b>
Comprising 1,00,000 equity shares of Rs. 10 each fully paid-up.	10,00,000

The whole of the issued, subscribed and paid-up equity capital of the Resulting Company is held by the Demerged Company and accordingly the Resulting Company is the wholly owned subsidiary company of the Demerged Company.

Subsequent to the above date and till the date of approval of the Scheme by the Board of Directors as also on the date of the accompanying notice of meeting, there has been no change in the issued, subscribed and paid up capital of the Resulting Company.

- (e) The details of Directors of Sesen Realty Private Limited along with their addresses are mentioned herein below:

<b>Sr.No</b>	<b>Name of Director</b>	<b>Category</b>	<b>Address</b>
1.	Mrs. Kalpana Pankaj Shah	Director	The View, 165, Dr. Annie Besant Road, Worli, Mumbai-400 018

2.	Mr. Sarjan Pankaj Shah	Director	The View, 165, Dr. Annie Besant Road, Worli, Mumbai-400 018
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- f) The resulting Company was originally incorporated with the following objects as its main objects as set out in the Memorandum of Association:-

*“1. To act as management consultant and render services to the Individual, company, government, central or state or individual with capital, credit, means or resources for the prosecution of any works, undertaking, projects or enterprises.*

*2. To act as management consultant and render engineering, technical management and other skilled and other services to all types of industry or organisations in India or abroad including for office, advertising, registrations, accounting, computer, legal, secretarial and taxation matters and without limiting the generality of the above to act as consultants online and offline.*

*3. To carry on the business of consultants in all fields, including the business of legal, Intellectual Property Rights, industrial, business management, financial, cost accounting, marketing, recruitment personnel management, inventory control, import and export and other technical or non-technical consultants and in particular to prepare Project Reports for all types of industries to set up systems of casting or to give other consultants on cost accounting to advise companies on the financial systems, to plan out machinery location and factories, to advise on tax planning, to recruit people for all types of posts in all types of industries or offices and to make representations types of industries or offices and to make representations before any body corporate , authority, corporations, firm, person or association of persons in any field in which help may be required of the company, including the procurement of materials, machinery or any other items or things required by any body, corporate authority, corporations person, firm or association of persons and to charge fees for such advise and help, whether in India or abroad.”*

The main objects of the Company was subsequently changed to its present objects as stated herein below vide Special Resolution passed in the Extra Ordinary General Meeting of Members held on 9th January, 2019..

*“1 To purchase, acquire, take on lease or in exchange, hire, reclamation or in any other lawful manner any area, land, immovable property, building, structure or development rights, easement, estate or interest therein and preparing building sites by surveying, planning, leveling, planting, paving, draining farming and cultivating land, converting and appropriating any such land into and for roads, streets, squares, grounds, gardens other conveniences and to develop, redevelop, including redevelopment of slums, build, erect, construct, reconstruct, alter, improve, enlarge, decorate, furnish and maintain buildings, chawls, houses, apartments flats, residential township or complexes, office, office complex, factories, shop offices, garages, warehouse, industrial, institutional or commercial township, markets, all or any of infrastructure, infrastructure projects, holiday resorts, hotels, motels, shopping malls, swimming pools, entertainment, complexes, nursing homes, godowns and all kinds of structure and by leasing letting (on building, lease or building agreement or otherwise) selling (by installments or otherwise) and otherwise disposing off the same and to carry on the business of civil engineers, surveyors, designer, town planner, estimator, valuers, interiors and exterior decorators, brokers, general and government civil contractors of immovable properties including building, highways, roads, bridges, in general and all types of structural and pilling engineering work, interior designing and graphics and to act as consultants for any of the said business activities and to provide all kinds of services in connection therewith. “*

- g) There are no secured and /or unsecured creditors Company as on 30<sup>th</sup> September, 2019 as per the provisional Un audited accounts as on that date of the Resulting Company .

5. The Scheme of Arrangement was unanimously approved at the respective meetings of the Board of Directors of the Demerged Company and the Resulting Company held on 20<sup>th</sup> June, 2019. The name of directors who voted in favor of the resolution approving the arrangement are as under:

- (i) Mrs. Kalpana Pankaj Shah and Mr. Sarjan Pankaj Shah, Directors of the Demerged Company voted in favor of the resolution for arrangement at the meeting approving the Scheme of Arrangement.
- (ii) Mrs. Kalpana Pankaj Shah and Mr. Sarjan Pankaj Shah, Directors of the Resulting Company voted in favor of the resolution for arrangement at the meeting approving the Scheme of Arrangement.

None of the directors voted against the resolution. Further there were no directors who did not vote or participate on resolution for approving the Scheme of Arrangement.

## **6. Description and Rationale of the Scheme:**

As stated above, the Demerged Company is engaged in separate businesses namely (a) Real estate development on mill land (b) Real estate development on slum land and (c) Real estate development on land other than mill/slum land. The Scheme provides for demerger and transfer of the business of Real estate development on mill land (Demerged Undertaking) of Satellite Developers Private Limited ('the Demerged Company') to its wholly owned subsidiary Sesen Realty Private Limited ('the Resulting Company') and various other matters consequential to the demerger or otherwise integrally connected therewith. The remaining businesses of the Demerged Company namely the business of (a) Real estate development on slum land and (b) Real estate development on land other than mill/slum land shall continue to be undertaken by the Demerged Company. The Resulting Company has been incorporated with the main objects for undertaking the business of development of property/real estate and other construction activities and post approval of the Scheme will stand possessed of the Demerged Undertaking of the Demerged Company. The Scheme shall be operative with effect from the Appointed Date 01/04/2019.

The transfer of the Demerged Undertaking being the business of real-estate development on Mill land of the Demerged Company to the Resulting Company pursuant to this Scheme shall, *inter alia*, result in the following benefits:

- (i) The business of real-estate development on mill land can be undertaken more conveniently with greater focus and attention through a separate company. Independent setup will ensure required depth and focus and adoption of strategies necessary for the growth of the respective Company. The structure provides independence to the management in decisions regarding the use of their respective cash flows for dividends, capital expenditure or other reinvestment in their respective businesses
- (ii) The transfer of Demerged Undertaking to the Resulting Company would assist in induction of joint venture partner/strategic investor/ financial investor in the Resulting Company and pursue inorganic and organic growth opportunities in such businesses;
- (iii) The restructuring under this Scheme would enable focused business approach for maximization of benefits to all stakeholders and capitalize on the opportunity for the growth.
- (iv) The demerger will also provide scope for independent collaboration and expansion without committing the existing organization in its entirety.

## **7. Relationship subsisting between Demerged Company and Resulting Company.**

The whole of the issued, subscribed and paid-up equity capital of the Resulting Company is held by the Demerged Company and accordingly the Resulting Company is the wholly owned subsidiary company of the Demerged Company.

Both the Demerged Company and Resulting Company have common directors namely Mrs. Kalpana Pankaj Shah and Mr. Sarjan Pankaj Shah.

## 8. Salient Features of the Scheme are set out as under:

The material provisions of the proposed Scheme are detailed hereunder (the following points are reproduced as per the Scheme and are numbered according to the Scheme):

2.1 *In this Scheme unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:*

- (a) *“Act” means the Companies Act, 2013, as applicable, and rules and regulations made there under and shall include any statutory modifications, amendments or re-enactment thereof, as may be applicable.*
- (b) *“Appointed Date” means 1<sup>st</sup> April, 2019;*
- (c) *“Applicable Law” means all applicable statutes, enactments, laws, ordinances, bye-laws, rules, regulations, guidelines, notifications, notices, and/or judgments, decrees, injunctions, writs or orders of any court, statutory or regulatory authority, tribunal, board or stock exchange in any jurisdiction as may be in force and effect during the subsistence of this Scheme as may be applicable to each of the parties respectively;*
- (d) *“Board” or “Board of Directors” means the Board of Directors of the Demerged Company or of the Resulting Company as the context may require and shall, unless it be repugnant to the context or otherwise, include a committee of directors or any person(s) authorized by the board of directors or such committee of directors;*
- (e) *“NCLT” means the National Company Law Tribunal at Mumbai having jurisdiction in relation to the Demerged Company and the Resulting Company;*
- (f) *“Effective Date” or “coming into effect of this Scheme” or “effectiveness of this Scheme”, or “Scheme becoming effective” shall mean 1<sup>st</sup> day of April, 2019”;*
- (g) *“Encumbrance” means any claim, debenture, mortgage, pledge, charge (fixed or floating), hypothecation, lien, deposit by way of security, bill of sale, option or right of pre-emption, right to acquire, right of first refusal, right of first offer, assignment by way of security or trust arrangement for the purpose of providing security or other security interest of any kind (including any retention arrangement), beneficial ownership (including usufruct and similar entitlements), public right, common right, way leave, easement, any provisional or executorial attachment and any other direct right or interest held by any third party, or any agreement to create any of the foregoing;*
- (h) *“Intellectual Property Rights” means (a) copyright, patents, database rights and rights in trade-marks, designs, know-how and confidential information (whether registered or unregistered); (b) applications for registration, and rights to apply for registration, of any of the foregoing rights; and (c) all other intellectual property rights and equivalent or similar forms of protection existing anywhere in the world;*

- (i) **“Permitted Asset Encumbrances”** means
  - (i) *Encumbrances on assets forming part of the Demerged Undertaking in favour of Lenders relating to the Demerged Undertaking;*
  - (ii) *Encumbrances arising out of pending litigations and claims which form part of the Demerged Undertaking;*
- (j) **“Lenders”** collectively means the lenders relating to the Demerged Undertaking and a Lender means any one of them;
- (k) **“Remaining Business”** means all the businesses and divisions of the Demerged Company other than the Demerged Undertaking;
- (l) **“Remaining Business Liabilities”** means all liabilities, obligations and commitments of the Demerged Company excluding the liabilities, obligations and commitments pertaining to and forming part of the Demerged Undertaking;
- (m) **“Scheme”, “the Scheme” or “this Scheme”** means this Scheme of Arrangement in its present form as submitted to the NCLT or with such modification(s) and/or amendment(s), if any, as may be made by the shareholders and the creditors of the Demerged Company and the Resulting Company in their meetings, if any, held as per the directions of the NCLT, or such modifications(s) and/or amendment(s) as may be imposed by any competent authority and/or with such modifications and/or amendment(s) as are directed to be made by the NCLT while sanctioning the Scheme, provided all such modifications and /or amendment(s) are accepted by the respective Board of Directors of the Resulting Company and the Demerged Company.
- (n) **“Taxation”** (including with correlative meaning, the terms **Tax** and **Taxes**) means any and all taxes (direct or indirect), surcharges, cess, duties, impositions imposed by any Governmental Entity, including without limitation taxes based upon or measured by gross receipts, income, profits, sales and value added, withholding, payroll, excise and property taxes, stamp duty, registration fees, together with all interest, penalties with respect to such amounts;
- (o) **“Demerged Company”** means Satellite Developers Private Limited, a Private limited company incorporated under the Companies Act, 1956 and having its registered office at S-14, 7th floor, Solitaire Corporate Park, Andheri – Ghatkopar Link Road, Andheri (East), Mumbai – 400 093;
- (p) **“Demerged Undertaking”** shall have the meaning ascribed to it in Schedule I;
- (q) **“Resulting Company”** means Sesen Realty Private Limited (Formerly, Enrollbiz Consultants Private Limited) a private limited company incorporated under the Companies Act, 2013 and having its registered office at at S-14, 7th floor, Solitaire Corporate Park, Andheri – Ghatkopar Link Road, Andheri (East), Mumbai – 400 09.

#### 4.1 VESTING OF DEMERGED UNDERTAKING

- (a) *Upon the Scheme becoming effective but with effect from the Appointed Date, the Demerged Undertaking in its entirety shall, pursuant to the provisions of Sections 230 to 232 of the Act and rules framed there under read with other relevant provisions of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in and shall be deemed to have been transferred to and vested in the Resulting Company on a “going concern” basis as set out hereinafter in the Scheme, free from all Encumbrances except Permitted Asset Encumbrances.*
- (b) *If for any reason any part of the Demerged Undertaking does not get transferred to the Resulting Company when the Scheme becomes effective, the Demerged Company and the Resulting Company shall forthwith take all necessary steps, and execute all necessary documents, to ensure the transfer of such part of the Demerged Undertaking to the Resulting Company without any further consideration but at the cost and expense of the Resulting Company. The Demerged Company and the Resulting Company agree that pending transfer of such part of Demerged Undertaking to the Resulting Company, the Demerged Company shall hold such part of Demerged Undertaking in trust for the Resulting Company, and shall put in place necessary arrangements to allow the Resulting Company to enjoy the benefit of the same.*
- (c) *For avoidance of doubt, it is hereby clarified that all the assets and liabilities which form part of the Demerged Undertaking shall be transferred to the Resulting Company and the remaining assets and liabilities of the Demerged Company shall continue to vest in the Demerged Company.*
- (d) *Upon the Scheme becoming effective, the Resulting Company shall carry out or perform all such formalities and compliances under various Applicable Law or to be carried out or performed in relation to or as a consequence of the vesting of the Demerged Undertaking with them.*
- (e) *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 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 the Scheme shall stand modified and/or amended to the extent necessary to comply with Section 2(19AA) of the Income-Tax Act, 1961; such modification and/or amendment thereto not affect other parts of the Scheme.*

#### **4.2 ASSETS:**

*Without prejudice to the generality of Clause 4.1 and upon the Scheme becoming effective but with effect from the Appointed Date, the assets and properties of the Demerged Undertaking shall stand transferred to and vested in the Resulting Company in the following manner:*

- (a) *All estate, assets and properties rights, claims, title, interest of the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement or acknowledgement of possession and/or delivery, the same may be so transferred by the Demerged Company, and shall, upon such transfer, become the assets and properties of the Resulting Company and title to the property will be deemed to have been transferred accordingly without any further act,*

*instrument or deed and pursuant to the provisions of Sections 230 to 232 of the Act. Such transfer of movable properties shall be free from all Encumbrances except Permitted Asset Encumbrances.*

- (b) All immovable properties (including land together with the buildings and structures standing thereon and all rights, benefits and entitlements in respect thereof and arising there from) of the Demerged Undertaking, whether freehold or leasehold and all documents of title, rights and easements in relation thereto, will stand transferred to and be vested in the Resulting Company, without any further act, instrument or deed and pursuant to the provisions of Sections 230 to 232 of the Act. The Resulting Company shall be entitled to exercise all rights and privileges and be liable to fulfil all obligations, in relation to or applicable to such immovable properties. Such transfer of immovable properties of the Demerged Undertaking shall be free from all Encumbrances except Permitted Asset Encumbrances.*
- (c) The assets and properties relating to Demerged Undertaking other than those dealt with in Clause 4.2(a) and (b) including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc., shall stand transferred to and vested in the Resulting Company without any notice or other intimation to any person in pursuance to the provisions of the Sections 230 to 232 of the Act and rules framed there under read with other relevant provisions of the Act, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company. The Resulting Company shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred and vested in the Resulting Company.*
- (d) Without prejudice to aforesaid and Clause 4.4, the Resulting Company may, if so required under any Applicable Law or otherwise, at any time after the Scheme becoming effective, in accordance with the provisions hereof, execute or enter into any arrangements, conveyance, confirmation deeds, documents, letters or any other instruments relating to any asset of the Demerged Undertaking with any party to any contract or agreements to which Demerged Company is a party. For such purposes, if so requested by the Resulting Company, the Demerged Company shall provide all the necessary assistance but all costs and expenses for execution of such documents shall be borne by the Resulting Company.*
- (e) The transfer and vesting of Demerged Undertaking as aforesaid shall be subject to the existing Permitted Asset Encumbrance. The Encumbrance over the assets of the Demerged Undertaking to the extent such Encumbrance is not a Permitted Asset Encumbrance, shall, without any further act, instrument or deed, be released and shall no longer be available as a security for the Remaining Business Liabilities of the Demerged Company save and except the encumbrance over the assets of the Demerged Undertaking in respect of the liabilities of the Lenders pertaining to and forming part of the Remaining Business Liabilities of the Demerged Company.*
- (f) Any Encumbrance over the assets of the Demerged Company pertaining to and forming part of the Remaining Business left in the Demerged Company*



*after the demerger becoming effective, shall no longer be available as security or recourse for liabilities pertaining to and forming part of the Demerged Undertaking that have been demerged in the Resulting Company pursuant to scheme becoming effective.*

*Further going forward after the scheme becoming effective, under no circumstances, encumbered assets of the Demerged Company pertaining to and forming part of the Remaining Business left in the Demerged Company shall be subject matter of any recourse, encumbrance, charge or security for liabilities pertaining to and forming part of the Demerged Undertaking that have been demerged in the Resulting Company pursuant to scheme becoming effective.*

- (g) The Scheme shall not operate to enlarge the Encumbrance for the liabilities of the Demerged Company relatable to the Demerged Undertaking which shall vest in the Resulting Company by virtue of the Scheme and the Demerged Company shall not be obliged to create any further, or additional Encumbrance thereof after the Scheme has become effective or otherwise. Further, the Scheme shall not operate to enlarge the Encumbrance for any liabilities of the Resulting Company, in as much as the security shall not extend to the assets of the Demerged Company relatable to the Demerged Undertaking transferred to and vested in and/or deemed to be transferred to and vested in the Resulting Company.*
- (h) The Demerged Company and the Resulting Company shall, if and when so required, execute such documents/instruments or do all such acts and deeds including filing of necessary particulars and/or modification of charge with the Registrar of Companies, Maharashtra to give formal effect to the above Clauses, at the cost and expense of the Resulting Company.*

#### **4.3 LIABILITIES:**

*Without prejudice to the generality of Clause 4.1 and upon the Scheme becoming effective but with effect from the Appointed Date, all the debts, liabilities, obligations and duties of any kind, nature or description (including contingent liabilities) pertaining to and forming part of the Demerged Undertaking shall be demerged from the Demerged Company and be and stand transferred to and vested in the Resulting Company in the following manner:*

- (a) All the debts, liabilities, liabilities, duties and obligations of the Demerged Company which have been incurred, accrued or arisen before the Appointed Date and are relatable to the Demerged Undertaking shall, without any further act or deed, as from the Appointed Date stand transferred to and be deemed to be transferred to the Resulting Company and shall become the debts, liabilities, duties and obligations of the Resulting Company pursuant to the provisions of sections 230 to 232 of the Act and the Resulting Company shall meet, discharge and satisfy the same and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities and obligations have arisen in order to give effect to the provisions of this Clause. The Resulting Company alone shall be liable to perform all obligations in respect of such liabilities and the Demerged Company will not have any obligations in respect of such liabilities. The Resulting Company undertakes to indemnify the Demerged Company, if the Demerged Company is made to discharge any such liability after the Effective Date. It is, however, made clear that this*

*undertaking on the part of the Resulting Company is only towards the Demerged Company and shall not affect the right of the Resulting Company to question the existence, genuineness or the quantum of such liability or obligation to the claimant. It is further provided that if after the Effective Date any of the liabilities related to the Demerged Undertaking are met, discharged or satisfied by the Demerged Company then the same shall be a valid discharge of such liabilities for and on behalf of and to the account of the Resulting Company and the Demerged Company shall be entitled to recover from the Resulting Company all such payments made by the Demerged Company for and on behalf of and to the account of the Resulting Company towards discharge of such liabilities related to the Demerged Undertaking*

*It is clarified that all debts, loans and liabilities, duties and obligations of the Demerged Company relatable to the Demerged Undertaking which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date shall be the debts, loans and liabilities, duties and obligations of the Resulting Company.*

- (b) All the Remaining Business Liabilities of the Demerged Company shall continue to remain the liabilities and obligations of the Demerged Company and the Demerged Company shall remain liable to meet, discharge, satisfy and fulfil the same to the exclusion of the Resulting Company.*

#### **4.4 CONTRACTS, DEEDS, ETC.:**

*Upon the Scheme becoming effective but with effect from the Appointed Date,*

- (a) Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments including memoranda of understandings, arrangements, undertakings, schemes, of whatsoever nature, pertaining to the Demerged Undertaking and/or pertaining to and forming part of the Demerged Undertaking and to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall continue to remain in full force and effect, in favour of or against the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or thereunder. For avoidance of doubt, it is hereby clarified that upon the Scheme becoming effective but with effect from the Appointed Date, the Demerged Company shall have no liabilities or obligations under or in respect of such contracts, deeds, bonds, agreements, memorandum of understanding etc.*
- (b) The transfer and vesting of the Demerged Undertaking in the Resulting Company and the continuance of all contracts or proceedings by or against the Resulting Company in terms of the Scheme shall not affect any contracts or proceedings relating thereto already concluded on or after the Appointed Date but before the Effective Date.*
- (c) the Resulting Company may, at any time after the coming into effect of this Scheme or wherever necessary, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and enter into and/or execute deeds, writings, confirmations or novations or tripartite arrangements with any party to any contract or arrangement to which Demerged Company will, if necessary, also be a party in order to give*

*formal effect to the provisions of this Scheme. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliance, referred to above on the part of the Demerged Company to be carried out or performed.*

- (d) It is clarified that eve after the Effective Date, if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party and which cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such asset or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company to which the Demerged Undertaking is being transferred in terms of this Scheme, insofar as it is permissible so to do, till such time as the transfer is effected.*

#### **4.5 LEGAL PROCEEDINGS:**

*Upon the Scheme becoming effective,*

- (a) If on the Effective Date, any suit, petition, appeal or other proceedings (whether civil or criminal and whether pending in any court or before any statutory or judicial or quasi-judicial authority or tribunal pertaining to and forming part of the Demerged Undertaking, of whatsoever nature, by or against the Demerged Company is pending, the same shall not abate, or be discontinued or in any way be prejudicially affected by reason of this Scheme coming into effect and all such proceedings may be continued, prosecuted and enforced, by or against the Resulting Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Demerged Company, if this Scheme had not come into effect, pursuant to the provisions of Sections 230 to 232 of the Act and without any further act, instrument or deed. The Resulting Company shall get itself substituted in all such legal or other proceedings in place of the Demerged Company and take all steps as may be necessary to have the proceedings continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company.*
- (b) All subsequent legal and other proceedings pertaining to any matters concerning the Demerged Undertaking, after the Effective Date, shall be initiated by or against the Resulting Company to the exclusion of the Demerged Company. The Resulting Company shall bear all costs, charges and consequences arising out of such legal and other proceedings and shall keep the Demerged Company indemnified and harmless, if the Demerged Company is made to bear any such costs, expenses and consequences.*

#### **4.6 EMPLOYEES:**

*Upon the Scheme becoming effective,*

- (a) Pursuant to the provisions of Sections 230 to 232 of the Act and without any further act, instrument or deed, all the employees engaged in or in relation to the business activities and operations of the Demerged Undertaking who are in service of the Demerged Company on the Effective Date, shall become the employees of the Resulting Company on such date*

*without any break or interruption in service and on terms and conditions as to remuneration and otherwise, not less favorable than those subsisting as on the Effective Date.*

- (b) The Resulting Company shall continue to abide by any agreements / settlements entered into by the Demerged Company in respect of Demerged Undertaking with any Union/ representatives of the employees.*
- (c) The balances standing in the accounts of employees of the Demerged Undertaking who are transferred to the Resulting Company in terms of this Scheme, in Provident Fund, Superannuation / Pension Fund, ESI or other such funds and investments relatable thereto as on the Effective Date, shall be transferred to the necessary funds, schemes or trusts to be created by the Resulting Company and till the time such necessary funds, schemes or trusts are created by the Resulting Company, all contribution shall continue to be made to the existing funds, schemes or trusts of Demerged Company.*
- (d) If any question arises as to whether an employee is engaged in or in relation to the business activities and operations of the Demerged Undertaking, the same shall be decided by mutual agreement between the Boards of the Demerged Company and the Resulting Company.*
- (e) The Resulting Company agrees that the service of all the employees transferred to the Resulting Company as above up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Demerged Company up to the Effective Date. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Demerged Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.*

#### **4.7 LICENSES AND PERMISSIONS:**

*Upon the Scheme becoming effective, all licences, no-objection certificates, permissions, approvals, sanctions, consents, authorizations, registrations, quotas, rights, entitlements, including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto pertaining to the Demerged Undertaking or the business activities and operations thereof, which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Resulting Company and shall be deemed to constitute separate licence etc. in the name and for the benefit of the Resulting Company with effect from the Effective Date, pursuant to the provisions of 230 to 232 of the Act and without any further act or deed by the Demerged Company and/or the Resulting Company and such licences etc. shall be appropriately mutated/ transferred/ changed/ modified/ endorsed/ split up by the competent authorities concerned in the name and for the benefit of the Resulting Company as soon as the Scheme becomes effective without any hindrance so as to enable the Resulting Company to continue to carry on the operations of the Demerged Undertaking without any interruption, difficulty or disadvantage and in the same manner and with same privileges and benefits as was being carried on by the Demerged Company before the Effective Date. The Resulting Company and/or the Demerged Company shall file appropriate intimations, where ever required, for the record of the competent authorities concerned who shall take the same on record and make the necessary changes and modifications in the relevant records pursuant to the sanction of the Scheme.*

**4.8 ISSUE OF REDEEMABLE PREFERENCE SHARES BY THE RESULTING COMPANY:**

- (a) *Upon the Scheme becoming effective and upon vesting of the Demerged Undertaking of the Demerged Company in the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot to every member of the Demerged Company holding fully paid up Preference Shares, Class B Equity Shares and Class C Equity Shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company, on the Effective Date, his/her heirs, executors, administrators or the successors-in-title, as the case may be, in the following proportion:*
- (i) 17 (Seventeen only) Redeemable Preference Share of Rs. 10/- each credited as fully paid up of the Resulting Company shall be issued and allotted for every 1,30,000 (One Lakh Thirty Thousand only) Preference Shares of the face value of Rs. 10/- each fully paid up held in the Demerged Company.*
  - (ii) 17 (Seventeen only) Redeemable Preference Share of Rs. 10/- each credited as fully paid up of the Resulting Company shall be issued and allotted for every 1,30,000 (One Lakh Thirty Thousand only) Class B Equity Shares of the face value of Rs. 10/- each fully paid up held in the Demerged Company.*
  - (iii) 27 (Twenty Seven Only) Redeemable Preference Share of Rs. 10/- each credited as fully paid up of the Resulting Company shall be issued and allotted for every 38 (Thirty Eight only) Class C Equity Shares of the face value of Rs. 10/- each fully paid up held in the Demerged Company.*
- (b) *The Redeemable Preference Shares to be issued to the holders of Equity Shares of the Demerged Company pursuant to sub clause (a) above shall:*
- (i) be subject to and governed by the provisions of section 55 and other applicable provisions of the Act of 2013 and the provisions of the Memorandum and Articles of the Association of the Transferee Company;*
  - (ii) be Non Cumulative and entitle the holders thereof to Dividend @ 9%.*
  - (iii) be redeemed at par on the expiry of 120 months from the date of allotment. The Resulting Company shall, however, have the option to prematurely redeem the Redeemable Preference Shares at any time after the expiry of 48 months from the date of allotment but before the due date of redemption. In the event the Resulting Company, through a resolution passed by its Board of Directors, exercise the option to prematurely redeem the Redeemable Preference Shares, the Resulting Company shall give written notice to this effect to the Preference Shareholders at least 30 days prior to the proposed date of redemption approved by the Board.*
  - (iv) be non voting except on resolutions placed before the company which directly affect the rights attached to the Redeemable Preference Shares.*
  - (v) carry a preferential right over the Equity Shares with respect to payment of dividend and repayment in the case of winding up or repayment of capital but shall not entitle the holders thereof a right to participate in surplus fund and/or surplus assets or profits in the event of winding up.*

*It is clarified that dividend, if any, declared by the Resulting Company on the Redeemable Preference Shares for the financial year during which the Redeemable Preference Shares are allotted by the Resulting Company in terms of sub clause(a) above shall be paid by the Resulting Company for whole of the said financial year irrespective of the date of allotment.*

- (c) *The Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of Redeemable Preference Shares to the holders of Equity Shares of the Demerged Company under the Scheme.*
- (d) *Under and pursuant to the Scheme, the entitlement for fractional shares in the Resulting Company, if any, of the holders of Equity Shares of the Demerged Company shall be rounded off to one share.*
- (e) *It shall be deemed that the members of the Resulting Company have also resolved and accorded all relevant consents in terms of the provisions of Section 62(1)(c) and other applicable provisions of the Act for issue of Preference Shares in terms of clause 4.8(a) above. It is clarified that there will be no need to pass a separate share holders' resolution for the purpose under the Act.*

#### **6.1 ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY**

- (a) *The Resulting Company, upon the Scheme becoming effective, record the assets and liabilities of the Demerged Undertaking of the Demerged Company vested in it pursuant to this Scheme, at the respective book values, ignoring revaluations, if any, as appearing in the books of the Demerged Company at the close of business of the day immediately preceding the Appointed Date.*
- (b) *The Resulting Company shall credit the aggregate face value of the Redeemable Preference Shares made by the Resulting Company pursuant to clause 4.8(a) of this Scheme to its share capital.*
- (c) *The deficit or excess, if any, remaining after recording the book value of net assets of the Demerged Undertaking of the Demerged Company in terms of sub-clause (a) above and the amount of the consideration in terms of sub-clause (b) above, shall be debited to goodwill by the Resulting Company or credited to capital reserve, as the case may be.*

#### **6.2 ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY**

- (a) *Upon the Scheme becoming effective, the Demerged Company shall reduce the book value of assets and liabilities pertaining to the Demerged Undertaking.*
- (b) *The difference, being the excess of the book value of liabilities demerged over the book value of assets demerged shall be credited to capital reserve account in the books of the Demerged Company.*

#### **7.3 CONDITIONALITY OF THE SCHEME:**

*This Scheme is conditional upon and subject to:*

- (a) The approval to the Scheme by the requisite majorities of the members and creditors of the Demerged Company and of the members and creditors of the Resulting Company.*
- (b) The requisite resolution(s) under the applicable provisions of the Act being passed by the Shareholders of the Resulting Company for any of the matters provided for or relating to the Scheme, as may be necessary or desirable, including approval to the issue and allotment of Preference Shares in the Resulting Company to the equity shareholders of the Demerged Company.*
- (c) The sanction of the NCLT at Mumbai under Sections 230 to 232 and other applicable provisions of the Act in favour of the Demerged Company and the Resulting Company and to the necessary Order or Orders under the said provisions of the Act, being obtained.*
- (d) Any other sanction or approval of the Appropriate Authorities concerned, as may be considered necessary and appropriate by the respective Boards of Directors of the Demerged Company and the Resulting Company being obtained and granted in respect of any of the matters for which such sanction or approval is required.*
- (e) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.”*

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

9. Mr. Manish M Jaju, Registered Valuer has vide his Report dated 10<sup>th</sup> June, 2019 recommended the share exchange ratio as stated herein above in this explanatory statement in the context of the proposed demerger of the Demerged Undertaking of the Demerged Company to the Resulting Company. A valuation of the Demerged Undertaking of the Demerged Company based on the intrinsic value of its net assets has been determined at Rs. 85.94 lacs. Since the Scheme contemplates issue of Redeemable Preference Shares (RPS) to the holders of Class A equity shares, Class B equity shares and Class C equity shares of the Demerged Company in consideration of the demerger and transfer of the Demerged Undertaking of the Demerged Company to the Resulting Company, RPS for the aforesaid net asset value of the Demerged Undertaking will be issued by the Resulting Company to the holders of Class A equity shares, Class B equity shares and Class C equity shares held by them in the Demerged Company in the exchange ratio as set forth in the Scheme and stated herein above based on their respective entitlement in terms of issue of the said different classes of equity shares in the Demerged Company. The said share exchange ratio and the value thereof has been determined as at 31/03/2019 (Appointed Date being 01/04/2019 under the Scheme).

Copy of the Report on share exchange ratio is enclosed as Annexure- B to this explanatory statement.

10. M/s. S.V. Shah and Associates the statutory auditors of the Demerged Company and M/s. V. C. Shah & Co, the statutory auditors of the Resulting Company have vide their certificates dated 03/07/2018 certified that the Accounting Treatment proposed in the Scheme of Arrangement is in conformity with the Accounting Standards prescribed under section 133 of the Companies Act, 2013.

11. Both the Demerged Company and Resulting Company belong to the same group. The Resulting Company is a wholly owned subsidiary of the Demerged Company. There is no non-promoter equity shareholding in the Demerged Company.

Under the Scheme, an arrangement is sought to be entered into between the Demerged Company and the Resulting Company and their respective shareholders where under the Demerged Undertaking of the Demerged Company shall stand transferred to and vested in the Resulting Company. The shareholdings of the equity shareholders in the Demerged Company pre and post approval of the Scheme of Arrangement will remain unchanged. The equity share capital of the Resulting Company following approval of the Scheme will remain unchanged and the Resulting Company would continue to be a wholly owned subsidiary of the Demerged Company. Further, in consideration of transfer of the Demerged Undertaking of the Demerged Company to the Resulting Company, the equity shareholders of the Demerged Company will be issued RPS in the Resulting Company in the ratio as mentioned in the Scheme post the approval of the Scheme based on their respective entitlement in terms of issue of the said different classes of equity shares held in the Demerged Company. Accordingly, the interests of the equity shareholders of the Demerged Company, pre and post approval of the Scheme will not be affected. As regards the holders of redeemable preference shares in the Demerged Company for a nominal aggregate amount of Rs. 1640/-, their interests will not be affected as they would continue to hold the said preference shares on the same terms and conditions as presently attached thereto post the approval of the Scheme and neither any sacrifice nor any waiver is, at all called for from them nor their rights sought to be modified in any manner.

As regards, the equity shareholders of the Resulting Company are concerned, the whole of the equity share capital of the Resulting Company is held by the Demerged Company. The Scheme envisages issue of RPS by the Resulting Company to holders of Class A equity shares, Class B equity shares and Class C equity shares of the Demerged Company in consideration of the demerger and transfer of the Demerged Undertaking of the Demerged Company to the Resulting Company. The equity share capital of the Resulting Company thus immediately following approval of the Scheme as above will remain unchanged and the Resulting Company would continue to be a wholly owned subsidiary of the Demerged Company. Accordingly, the interests of the equity shareholders of the Resulting Company, pre and post approval of the Scheme will not be affected.

The rights and interests of the secured creditors including holders of secured Non Convertible Debentures (NCD) or unsecured creditors including holders of Compulsorily Convertible Debentures (CCD) and unsecured Optionally Fully Convertible Debentures (OFCD) of the Demerged Company will not be affected by the Scheme as neither any sacrifice nor any waiver is, at all called for from them nor their rights sought to be modified in any manner. As on date, the Demerged Company has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposits holders does not arise. As on date the Resulting Company does not have any secured creditors/ unsecured creditors and/or any outstanding towards any public deposits/debentures and therefore, the effect of the Scheme on any such Creditors/ Debentures and public deposits holders does not arise.

The rights and interests of the employees in relation to the business activities and operations of the Demerged Undertaking of the Demerged Company will not be affected by the Scheme. Under the Scheme all the employees engaged in or in relation to the business activities and operations of the Demerged Undertaking who are in service of the Demerged Company on the Effective Date, shall become the employees of the Resulting Company on such date without any break or



interruption in service and on terms and conditions as to remuneration and otherwise, not less favorable than those subsisting as on the Effective Date. The rights and interests of the employees in relation to its remaining businesses of the Demerged Company as also the rights and interest of the employees of the Resulting Company are in no way affected by the Scheme. The employees engaged by the Demerged Company in relation to its remaining businesses as also the employees of the Resulting Company shall continue to be employed by the Demerged Company and the Resulting Company, as the case may be.

There is no effect of the Scheme on the key managerial personnel and/or the directors of the Demerged Company and the Resulting Company.

Further, none of the directors, the key managerial personnel (as defined under the act and the rules framed there under) of the Demerged Company or the Resulting Company and their respective relatives (as defined under the act and the rules framed there under) have any interests in the Scheme except to the extent of equity shares held by them in Demerged Company and/or the Resulting Company and/or to the extent that the said director(s) are common director(s) of the Demerged Company and/or Resulting Company and/or to the extent that the said director(s), key managerial personnel and their respective relatives are the directors, members of the companies that hold shares in the Demerged Company and/or the Resulting Company. Save as aforesaid, none of the said directors or the key managerial personnel or their respective relatives have any material interest in the Scheme.

In compliance with provisions of Section 232(2)(c) of the Act, the Board of Directors of the Demerged Company and the Resulting Company in their respective meetings held on 10<sup>th</sup> February, 2020, have adopted a report, inter alia, explaining the effect of the Scheme on the shareholders, key managerial personnel, directors, promoters, amongst others. Copy of the report adopted by the Board of Directors of the Demerged Company and the Resulting Company is enclosed as Annexure-C and Annexure-D respectively.

12. (a) The names and addresses of the promoters/ shareholders holding Equity shares of the Demerged Company are as follows:

Sr. No.	Name of promoter/ shareholder	Address of promoter/ shareholder	No. of Equity Shares held in Demerged Company
	<b>(A) Class A Equity Shareholders</b>		
1.	Kalpana P. Shah J/w Sarjan P. Shah	The View, 165, Dr. Annie Besant Road, Worli, Mumbai-400 018	2,19,25,000
2.	Sarjan P. Shah J/w Kalpana P. Shah	The View, 165, Dr. Annie Besant Road, Worli, Mumbai-400 018	85,00,093
3.	Sanjana P. Shah J/w Sarjan P. Shah	The View, 165, Dr. Annie Besant Road, Worli, Mumbai-400 018	27,37,728
4.	Shree Naman Developers Private Limited	315, Parekh Market, 39 JSS Rd, Opera House Mumbai-400004	6,10,515
5.	Sonia M. Shah	Flat No.17, 3rd Floor, Sagar Mahal, 65, Walkeshwar Road, Mumbai – 400 006,	78,866
6.	NMS Developers Private Limited	315, Floor 3, Plot-39, Parekh Market, Jagannath Shankarsheth Marg, Kennedy	61,665

		Bridge, Girgaon, Mumbai - 400004	
7.	Sky Build Pvt. Ltd.	Henleen, 1 St Floor, 32 Main Avenue Santacruz (W), Mumbai - 400054	5,68,169
8.	Indresh Batra	Jindal Centre, 12 Bhikaiji Cama Place, New Delhi – 110066	9,33,335
9.	Satellite Global Consultancy Pvt. Ltd.	Sarjan Plaza, 100, Dr. Annie Besant Road, Worli Mumbai-400018	44,56,665
10.	Harbans Singh Bawa	122, Mehr Naz, Cuffe Papade, Mumbai -400005	14,93,334
11.	Gurmeet Bawa	22, Horizon View Gen, Jagannath Bhosle Road, Mumbai -400021	18,95,000
12.	Bilawal Export Pvt. Ltd.	112, Free Press House, Nariman Point, Mumbai - 400021	25,66,666
13.	J Tao Creations Private Ltd.	Ground Floor, The View, 165, Dr. Annie Besant Road, Worli, Mumbai-400018	63,63,655
	<b>Sub-Total A</b>		<b>5,21,90,691</b>
	<b>(B)Class B Equity Shareholders</b>		
1.	Sarjan P. Shah J/w Kalpana P. Shah	The View, 165, Dr. Annie Besant Road, Worli, Mumbai-400 018	5,600
	<b>Sub-Total B</b>		<b>5,600</b>
	<b>(C)Class C Equity Shareholders</b>		
1.	Kalpana P. Shah J/w Sarjan P. Shah	The View, 165, Dr. Annie Besant Road, Worli, Mumbai-400 018	7,20,000
2.	Sarjan P. Shah J/w Kalpana P. Shah	The View, 165, Dr. Annie Besant Road, Worli, Mumbai-400 018	2,40,000
3.	Sanjana P. Shah J/w Sarjan P. Shah	The View, 165, Dr. Annie Besant Road, Worli, Mumbai-400 018	2,40,000
	<b>Sub-Total C</b>		<b>12,00,000</b>
	<b>TOTAL(A+B+C)</b>		<b>5,33,96,291</b>

(b) The names and addresses of the promoters/ shareholders of the Resulting Company are as follows:

Sr. No	Name of promoter/ shareholder	Address of promoter/ shareholder	No. of Equity Shares held in Resulting Company
1.	Satellite Developers Private Limited	7th Floor, S-14, Solitaire Corporate Park Andheri-Ghatkopar Link Road, Andheri(East) Mumbai - 400093	99,999
2.	Mrs. Kalpana Shah – Nominee of Satellite Developers Private Limited	The View, 165, Dr. Annie Besant Road, Worli, Mumbai-400 018	01
	Total		<b>1,00,000</b>

13.(a) The details of the shareholding of the Directors, the Key Managerial Personnel and their relatives of the Demerged Company in the Demerged Company and Resulting Company as on 10<sup>th</sup> February, 2020.

<b>Sr.no</b>	<b>Name and designation of Director(s)</b>	<b>Class of Shares and face value thereof of Demerged Company</b>	<b>No. of shares held in Satellite Developers Private Limited</b>	<b>No. of equity shares of face value of Rs. 10/- each held in Sesen Realty Private Limited</b>
1.	Mrs. Kalpana P. Shah	Class A - Equity Shares of Rs. 10 each	2,19,25,000	01 – Nominee of Satellite Developers Private Limited
2.	Mrs. Kalpana P. Shah	Class C - Equity Shares of Rs. 10 each	7,20,000	01 – Nominee of Satellite Developers Private Limited
3.	Mrs. Kalpana P. Shah	Preference Shares of Rs. 10 each	50	00
4.	Mr. Sarjan P. Shah	Class A - Equity Shares of Rs. 10 each	85,00,093	00
5.	Mr. Sarjan P. Shah	Class B - Equity Shares of Rs. 10 each	5,600	00
6.	Mr. Sarjan P. Shah	Class C - Equity Shares of Rs. 10 each	2,40,000	00

<b>Sr.no</b>	<b>Name and designation of KMP(s)</b>	<b>Class of Shares and face value thereof of Demerged Company</b>	<b>No. of shares held in Satellite Developers Private Limited</b>	<b>No. of equity shares of face value of Rs. 10/- each held in Sesen Realty Private Limited</b>
1.	<b>NIL</b>			

<b>Sr.no</b>	<b>Name of relative of Director(s)/KMP(s) and relationship</b>	<b>Class of Shares and face value thereof of Demerged Company</b>	<b>No. of shares held in Satellite Developers Private Limited</b>	<b>No. of equity shares of face value of Rs. 10/- each held in Sesen Realty Private Limited</b>
1.	Ms. Sanjana P. Shah –	Class A -	27,37,728	00

	Daughter of Mrs. Kalpana P. Shah, Director	Equity Shares of Rs. 10 each		
2.	Ms. Sanjana P. Shah – Daughter of Mrs. Kalpana P. Shah, Director	Class C - Equity Shares of Rs. 10 each	2,40,000	00

- (b) The details of the shareholding of the Directors, the Key Managerial Personnel and their relatives of the Resulting Company in the Demerged Company and Resulting Company as on 10<sup>th</sup> February, 2020.

<b>Sr.no</b>	<b>Name and designation of Director(s)</b>	<b>Class of Shares and face value thereof of Demerged Company</b>	<b>No. of shares held in Satellite Developers Private Limited</b>	<b>No. of equity shares of face value of Rs. 10/- each held in Sesen Realty Private Limited</b>
1.	Mrs. Kalpana P. Shah	Class A - Equity Shares of Rs. 10 each	2,19,25,000	01 – Nominee of Satellite Developers Private Limited
2.	Mrs. Kalpana P. Shah	Class C - Equity Shares of Rs. 10 each	7,20,000	01 – Nominee of Satellite Developers Private Limited
3.	Mrs. Kalpana P. Shah	Preference Shares of Rs. 10 each	50	00
4.	Mr. Sarjan P. Shah	Class A - Equity Shares of Rs. 10 each	85,00,093	00
5.	Mr. Sarjan P. Shah	Class B - Equity Shares of Rs. 10 each	5,600	00
6.	Mr. Sarjan P. Shah	Class C - Equity Shares of Rs. 10 each	2,40,000	00

<b>Sr.no</b>	<b>Name and designation of KMP(s)</b>	<b>Class of Shares and face value thereof of Demerged Company</b>	<b>No. of shares held in Satellite Developers Private Limited</b>	<b>No. of equity shares of face value of Rs. 10/- each held in Sesen Realty Private Limited</b>
1.	<b>NIL</b>			

Sr.no	Name of relative of Director(s)/KMP(s) and relationship	Class of Shares and face value thereof of Demerged Company	No. of shares held in Satellite Developers Private Limited	
1.	Ms. Sanjana P. Shah – Daughter of Mrs. Kalpana P. Shah, Director	Class A - Equity Shares of Rs. 10 each	27,37,728	00
2.	Ms. Sanjana P. Shah – Daughter of Mrs. Kalpana P. Shah, Director	Class C - Equity Shares of Rs. 10 each	2,40,000	00

14. Pre and post (expected) approval of the Scheme equity shareholding pattern of the Demerged Company as on the date of notice of meeting is as follows.

Description	Pre-Demerger shareholding		Post-Demerger Shareholding	
Equity Shares	No. of shares	%	No. of shares	%
<b>Promoters</b>				
Class A Equity Shares	5,21,90,691	100	5,21,90,691	100
Class B Equity Shares	5600	100	5600	100
Class C Equity Shares	12,00,000	100	12,00,000	100
<b>Total</b>	<b>5,33,96,291</b>	<b>100</b>	<b>5,33,96,291</b>	<b>100</b>
<b>Preference Shares</b>				
Promoters	50	30.4	50	30.4
Other Associates	114	69.6	114	69.6
<b>Total</b>	<b>164</b>	<b>100</b>	<b>164</b>	<b>100</b>

15. Pre and post (expected) approval of the Scheme Equity shareholding pattern of the Resulting Company is as follows:

Description	Pre-Demerger shareholding		Post-Demerger Shareholding	
	No. of shares	%	No. of shares	%
<b>Promoters</b>				
Equity Shares	1,00,000	100	1,00,000	100
<b>Sub-total(A)</b>	<b>1,00,000</b>	<b>100</b>	<b>1,00,000</b>	<b>100</b>
<b>Promoters</b>				
Redeemable Preference Shares	0	0	8,59,341	100
<b>Sub-total(B)</b>	<b>0</b>	<b>0</b>	<b>8,59,341</b>	<b>100</b>
<b>Total (A+B)</b>	<b>1,00,000</b>	<b>100</b>	<b>9,59,341</b>	<b>100</b>

16. The Scheme of Arrangement does not involve any capital or debt restructuring.
17. No investigation or proceedings are pending under the provisions on chapter XIV of the Companies Act, 2013 or under the provisions of the Companies Act, 1956 in respect of the Demerged Company and the Resulting Company.
18. A copy of the Scheme has been filed by the Demerged Company and the Resulting Company with the Registrar of Companies, Maharashtra.

19. No winding up petition has been filed or is pending against the Demerged Company and/or the Resulting Company.
20. The supplementary un- audited account statement of the Demerged Company and the Resulting Company for the period **01/04/2019 till 30/09/2019** are enclosed as Annexure- E and Annexure- F respectively.
21. This Scheme is subject to the approval of the NCLT pursuant to and in terms of provisions of Sections 230 to 232 of the Companies Act, 2013. Except for the approval/ sanction as provided here in, no other approvals or sanctions are required from any regulatory or governmental authorities.
22. The following documents will be open for inspection by the equity shareholders of the Demerged Company and the Resulting Company:
- (a) Audited Balance sheet of the Demerged Company and Resulting Company as on 31/03/2019.
  - (b) Certified copy of the Order dated 29<sup>th</sup> **January, 2020** of the Hon'ble Bench passed in the Company Scheme Application No.2921 of 2019.
  - (c) Scheme of Arrangement between Satellite Developers Private Limited and Sesen Realty Private Limited.
  - (d) Copy of the Valuation report dated 10<sup>th</sup> June, 2019 issued by Manish M Jaju, Registered Valuer.
  - (e) Certificate dated 03/07/2019 issued by M/s.S.V. Shah and Associates statutory auditors of the Demerged Company and Certificate dated 03/07/2019 issued by M/s. V. C. Shah & Co. statutory auditors of the Resulting Company to the effect that the Accounting treatment described in the Scheme of Arrangement is in conformity with the Accounting Standards prescribed under section 133 of the Companies Act, 2013.
  - (f) Statement of unaudited financial accounts of the Demerged Company and the Resulting Company for the period 01/04/2019 till 30/09/2019.
  - (g) Copy of the Memorandum and Articles of Association of the Demerged Company and the Resulting Company.
  - (h) Copy of the reports dated 10/02/2020 adopted by the Board of Directors of the Demerged Company and the Resulting Company pursuant to the provisions of section 232(2)(c) of the Act.
  - (i) Copy of Board resolutions dated 20-06-19 passed by the Demerged Company and the Resulting Company approving the Scheme.
23. This statement may be treated as an Explanatory Statement under Section 230 of the Companies Act, 2013 and Section 102 of the Companies Act, 2013.

-sd-

Mr. Sarjan Shah  
Chairman appointed for the Meeting

Date: **10th February, 2020**

Place: Mumbai

Registered Office: **Satellite Developers Private Limited**

S-14, 7<sup>th</sup> Floor, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (East),  
Mumbai-400 093

Before the National Company Law Tribunal  
Bench, at Mumbai  
**COMPANY SCHEME APPLICATION NO 2921 OF 2020**  
In the matter of the Companies Act, 2013

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

And  
In the matter of Scheme of Arrangement between Satellite Developers Private Limited  
(the Demerged Company) and Sesen Realty Private Limited (the Resulting Company)  
and their respective Shareholders.

**Satellite Developers Private Limited**, a )  
company incorporated under the )  
Companies Act, 1913 having its Registered )  
Office at S-14, 7<sup>th</sup> Floor, Solitaire Corporate )  
Park, Andheri Ghatkopar Link Road, ) ...Applicant Company.  
Andheri (East), Mumbai-400 093.

**FORM NO. MGT – 11**

**NAME OF THE PREFERENCE SHAREHOLDER(S):** \_\_\_\_\_  
(IN CAPITAL LETTERS)

**REGISTERED ADDRESS:** \_\_\_\_\_  
\_\_\_\_\_

**E-mail Id:** \_\_\_\_\_ @ \_\_\_\_\_

**Folio No.**

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I/We being the holder(s) of \_\_\_\_\_ **Preference** shares of Satellite Developers Private Limited hereby appoint:

1. Name: \_\_\_\_\_ Email Id: \_\_\_\_\_  
Address: \_\_\_\_\_, or failing him/her;

2. Name: \_\_\_\_\_ Email  
Id: \_\_\_\_\_ Address: \_\_\_\_\_  
\_\_\_\_\_, or failing him/her;

3. Name: \_\_\_\_\_ Email  
Id: \_\_\_\_\_ Address: \_\_\_\_\_  
\_\_\_\_\_

as my/ our proxy, to act for me/ us at the NCLT Convened Meeting of the **Preference** Shareholders to be held on **Saturday, 21<sup>st</sup> day of March, 2020 at 1.00 p.m.** at S-14, 7<sup>th</sup> Floor, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (East), Mumbai-

400 093 for the purpose of considering and if thought fit, approving, with or without modification, the Scheme of Arrangement between Satellite Developers Private Limited and Sesen Realty Private Limited, (“**Scheme**”) at such meeting and any adjournment thereof.

Signed this ..... day of ..... 2020.

Signature of Proxy holder(s):

Signature of Preference Shareholder(s):

Signature of the sole/ first proxy

Signature of the Second proxy  
(If any)

Signature of the Third Proxy  
(If any)

- Notes:
1. This form in order to be effective must be duly stamped, completed, signed and deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting.
  2. Please affix revenue stamp before putting signature.
  3. Alterations, if any, made in the Form of Proxy should be initialed.
  4. In case of multiple proxies received from the same Equity shareholder, the Proxy received later in time shall be taken into consideration.



**SATELLITE DEVELOPERS PRIVATE LIMITED**  
**CIN: U24291MH1953PTC139290**  
**Regd Off: S-14, 7<sup>th</sup> Floor, Solitaire Corporate Park, Andheri Ghatkopar Link Road,**  
**Andheri (East), Mumbai-400 093.**  
**E-mail:**

### ATTENDANCE SLIP

**NCLT CONVENED MEETING OF THE PREFERENCE SHAREHOLDERS OF THE COMPANY HELD ON SATURDAY 21<sup>ST</sup> DAY OF MARCH, 2020 AT 1.00 P.M. AT S-14, 7<sup>TH</sup> FLOOR, SOLITAIRE CORPORATE PARK, ANDHERI GHATKOPAR LINK ROAD, ANDHERI (EAST), MUMBAI-400 093.**

**PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL**

Folio No.	
No. of Preference Share(s) held	

NAME AND ADDRESS OF THE **PREFERENCE** SHAREHOLDER (in block letters): \_\_\_\_\_

NAME AND ADDRESS OF THE PROXY HOLDER (to be filled in by the Proxy attending the meeting instead of the **Preference** shareholder(s): \_\_\_\_\_

I/We hereby record my present at the NCLT convened meeting of the Preference Shareholders of the Applicant Company to be held on **Saturday 21<sup>st</sup> day of March, 2020 At 1.00 p.m. at S-14, 7<sup>th</sup> Floor, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (East), Mumbai-400 093** pursuant to the order dated 29/01/2020 of the Hon'ble Bench of National Company Law Tribunal at Mumbai.

**Signature of the Preference Shareholder or Proxy:**

Notes:

1. Shareholders are requested to bring the Attendance slip when they come to the meeting and hand it over at the gate after affixing their signature on it.
2. Shareholders who come to attend the meeting are requested to bring with them a copy of the Notice and the Scheme of Amalgamation.
3. Shareholders are informed that in case of joint holders attending the meeting only such joint holder who is higher in order of the names will be entitled to vote.

**Annexure - A**

**SCHEME OF ARRANGEMENT**

**BETWEEN**

**SATELLITE DEVELOPERS PRIVATE LIMITED  
[DEMERGED COMPANY]**

**AND**

**SESEN REALTY PRIVATE LIMITED  
[RESULTING COMPANY]**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS  
UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF  
THE COMPANIES ACT, 2013**

## **PARTS OF THE SCHEME:**

The Scheme is divided into the following parts:

- (a) Part I -which deals with the introduction, rationale and benefits of this Scheme;
- (b) Part II - which deals with the definitions used in this Scheme;
- (c) Part III – which deals with the share capital of the Demerged Company and Resulting Company;
- (d) Part IV – which deals with the transfer of the Demerged Undertaking to Resulting Company and matters incidental thereto;
- (e) Part V– which deals with the business (other than Demerged Undertaking) of the Demerged Company;
- (f) Part VI– which deals with the accounting and tax treatment; and
- (g) Part VII– which deals with the general terms and conditions that would be applicable to the Scheme.

## PART – I

### INTRODUCTION, RATIONALE AND BENEFITS

#### 1.1 INTRODUCTION:

- (a) Satellite Developers Private Limited is a Private limited company incorporated under the Companies Act, 1956, having its registered office at S -14, 7th Floor, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (East), Mumbai 400093 (“**Demerged Company**”). The Demerged Company is engaged in the business of (a) Real estate development on mill land (b) Real estate development on slum land and (c) Real estate development on land other than mill/slum land .
- (b) Sesen Realty Private Limited (Formerly, Enrollbiz Consultants Private Limited) is a private limited company incorporated under the Companies Act, 2013, having its registered office at S -14, 7th Floor, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (East), Mumbai 400093 (“**Resulting Company**”). The Resulting Company is a wholly owned subsidiary of the Demerged Company.
- (c) The Scheme provides for transfer of the Demerged Undertaking of the Demerged Company to and vesting in the Resulting Company, in accordance with the terms of this Scheme and pursuant to the provisions of sections 230 to 232 and other relevant provisions of the Companies Act, 2013.

#### 1.2 RATIONALE AND BENEFITS:

The transfer of the Demerged Undertaking being the business of real-estate development on Mill land of the Demerged Company to the Resulting Company pursuant to this Scheme shall, *inter alia*, result in the following benefits:

- (i) The business of real-estate development on mill land can be undertaken more conveniently with greater focus and attention through a separate company. Independent setup will ensure required depth and focus and adoption of strategies necessary for the growth of the respective Company. The structure provides independence to the management in decisions regarding the use of their respective cash flows for dividends, capital expenditure or other reinvestment in their respective businesses
- (ii) The transfer of Demerged Undertaking to the Resulting Company would assist in induction of joint venture partner/strategic investor/ financial investor in the Resulting Company and pursue inorganic and organic growth opportunities in such businesses;
- (iii) The restructuring under this Scheme would enable focused business approach for maximization of benefits to all stakeholders and capitalize on the opportunity for the growth.
- (iv) The demerger will also provide scope for independent collaboration and expansion without committing the existing organization in its entirety.

**PART – II**  
**DEFINITIONS**

2.1 In this Scheme unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

- (a) “**Act**” means the Companies Act, 2013, as applicable, and rules and regulations made there under and shall include any statutory modifications, amendments or re-enactment thereof, as may be applicable.
- (b) “**Appointed Date**” means 1<sup>st</sup> April, 2019;
- (c) “**Applicable Law**” means all applicable statutes, enactments, laws, ordinances, bye-laws, rules, regulations, guidelines, notifications, notices, and/or judgments, decrees, injunctions, writs or orders of any court, statutory or regulatory authority, tribunal, board or stock exchange in any jurisdiction as may be in force and effect during the subsistence of this Scheme as may be applicable to each of the parties respectively;
- (d) “**Board**” or “**Board of Directors**” means the Board of Directors of the Demerged Company or of the Resulting Company as the context may require and shall, unless it be repugnant to the context or otherwise, include a committee of directors or any person(s) authorized by the board of directors or such committee of directors;
- (e) “**NCLT**” means the National Company Law Tribunal at Mumbai having jurisdiction in relation to the Demerged Company and the Resulting Company;
- (f) “**Effective Date**” or “**coming into effect of this Scheme**” or “**effectiveness of this Scheme**”, or “**Scheme becoming effective**” shall mean 1<sup>st</sup> day of April, 2019”;
- (g) “**Encumbrance**” means any claim, debenture, mortgage, pledge, charge (fixed or floating), hypothecation, lien, deposit by way of security, bill of sale, option or right of pre-emption, right to acquire, right of first refusal, right of first offer, assignment by way of security or trust arrangement for the purpose of providing security or other security interest of any kind (including any retention arrangement), beneficial ownership (including usufruct and similar entitlements), public right, common right, way leave, easement, any provisional or executorial attachment and any other direct right or interest held by any third party, or any agreement to create any of the foregoing;
- (h) “**Intellectual Property Rights**” means (a) copyright, patents, database rights and rights in trade-marks, designs, know-how and confidential information (whether registered or unregistered); (b) applications for registration, and rights to apply for registration, of any of the foregoing rights; and (c) all other intellectual property rights and equivalent or similar forms of protection existing anywhere in the world;

- (i) **“Permitted Asset Encumbrances”** means
  - (i) Encumbrances on assets forming part of the Demerged Undertaking in favour of Lenders relating to the Demerged Undertaking;
  - (ii) Encumbrances arising out of pending litigations and claims which form part of the Demerged Undertaking;
- (j) **“Lenders”** collectively means the lenders relating to the Demerged Undertaking and a Lender means any one of them;
- (k) **“Remaining Business”** means all the businesses and divisions of the Demerged Company other than the Demerged Undertaking;
- (l) **“Remaining Business Liabilities”** means all liabilities, obligations and commitments of the Demerged Company excluding the liabilities, obligations and commitments pertaining to and forming part of the Demerged Undertaking;
- (m) **“Scheme”, “the Scheme” or “this Scheme”** means this Scheme of Arrangement in its present form as submitted to the NCLT or with such modification(s) and/or amendment(s), if any, as may be made by the shareholders and the creditors of the Demerged Company and the Resulting Company in their meetings, if any, held as per the directions of the NCLT, or such modifications(s) and/or amendment(s) as may be imposed by any competent authority and/or with such modifications and/or amendment(s) as are directed to be made by the NCLT while sanctioning the Scheme, provided all such modifications and /or amendment(s) are accepted by the respective Board of Directors of the Resulting Company and the Demerged Company.
- (n) **“Taxation”** (including with correlative meaning, the terms **Tax** and **Taxes**) means any and all taxes (direct or indirect), surcharges, cess, duties, impositions imposed by any Governmental Entity, including without limitation taxes based upon or measured by gross receipts, income, profits, sales and value added, withholding, payroll, excise and property taxes, stamp duty, registration fees, together with all interest, penalties with respect to such amounts;
- (o) **“Demerged Company”** means Satellite Developers Private Limited, a Private limited company incorporated under the Companies Act, 1956 and having its registered office at S-14, 7th floor, Solitaire Corporate Park, Andheri – Ghatkopar Link Road, Andheri (East), Mumbai – 400 093;
- (p) **“Demerged Undertaking”** shall have the meaning ascribed to it in Schedule I;
- (q) **“Resulting Company”** means Sesen Realty Private Limited (Formerly, Enrollbiz Consultants Private Limited) a private limited company incorporated under the Companies Act, 2013 and having its registered office at at S-14, 7th floor, Solitaire Corporate Park, Andheri – Ghatkopar Link Road, Andheri (East), Mumbai – 400 093

2.2 All terms and words which are used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-

laws, as the case may be including any statutory modifications, amendments or re-enactment thereof, for the time being in force.

- 2.3 In this Scheme, unless the context requires otherwise words denoting persons include individuals/natural persons, bodies corporate and unincorporated associations of persons;
- 2.4 The Scheme set out herein in its present form or with any modification(s) and/or amendments thereto approved or imposed or directed by the NCLT or made as per Clause 7.2 of the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

### PART – III

#### SHARE CAPITAL

- 3.1 The authorized, issued, subscribed and paid up share capital of the Demerged Company as on 31<sup>st</sup> March, 2018 is as under:

<b>Authorized Capital</b>	<b>Amount Rs.</b>
5,98,50,000 "Class A" Equity Shares of Rs.10 each	59,85,00,000
1,00,000 "Class B" Equity Shares of Rs.10 each	10,00,000
20,00,000 "Class C" Equity Shares of Rs.10 each	2,00,00,000
50,000 10% Redeemable Non-Cumulative Preference Shares of Rs.10 each	5,00,000
Total	62,00,00,000
<b>Issued, Subscribed and Fully Paid up</b>	<b>Amount Rs.</b>
5,21,90,691 "Class A" Equity Shares of Rs.10 each	52,19,06,910
5,600 Class B Equity Shares of Rs.10 each	56,000
12,00,000 Class C Equity Shares of Rs.10 each	1,20,00,000
164 Preference Shares of Rs.10 each	1,640
Total	53,39,64,550

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

- 3.2 The authorized, issued, subscribed and paid up share capital of the Resulting Company as on 31<sup>st</sup> March, 2019 is as under:

<b>Authorized Capital</b>	<b>Amount Rs.</b>
Comprising 1,00,000 equity shares of Rs. 10 each and 50,000 preference shares of Rs.10/- each.	15,00,000
<b>Issued, Subscribed and Paid-Up Capital</b>	<b>Amount Rs.</b>
Comprising 1,00,000 equity shares of Rs. 10 each fully paid-up.	10,00,000

The whole of the issued, subscribed and paid-up equity capital of the Resulting Company is held by the Demerged Company and accordingly the Resulting Company is the wholly owned subsidiary company of the Demerged Company.

## **PART – IV**

### **TRANSFER AND VESTING OF DEMERGED UNDERTAKING TO/ IN RESULTING COMPANY**

#### **4.1 VESTING OF DEMERGED UNDERTAKING**

- (a) Upon the Scheme becoming effective but with effect from the Appointed Date, the Demerged Undertaking in its entirety shall, pursuant to the provisions of Sections 230 to 232 of the Act and rules framed there under read with other relevant provisions of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in and shall be deemed to have been transferred to and vested in the Resulting Company on a “going concern” basis as set out hereinafter in the Scheme, free from all Encumbrances except Permitted Asset Encumbrances.
- (b) If for any reason any part of the Demerged Undertaking does not get transferred to the Resulting Company when the Scheme becomes effective, the Demerged Company and the Resulting Company shall forthwith take all necessary steps, and execute all necessary documents, to ensure the transfer of such part of the Demerged Undertaking to the Resulting Company without any further consideration but at the cost and expense of the Resulting Company. The Demerged Company and the Resulting Company agree that pending transfer of such part of Demerged Undertaking to the Resulting Company, the Demerged Company shall hold such part of Demerged Undertaking in trust for the Resulting Company, and shall put in place necessary arrangements to allow the Resulting Company to enjoy the benefit of the same.
- (c) For avoidance of doubt, it is hereby clarified that all the assets and liabilities which form part of the Demerged Undertaking shall be transferred to the Resulting Company and the remaining assets and liabilities of the Demerged Company shall continue to vest in the Demerged Company.
- (d) Upon the Scheme becoming effective, the Resulting Company shall carry out or perform all such formalities and compliances under various Applicable Law or to be carried out or performed in relation to or as a consequence of the vesting of the Demerged Undertaking with them.
- (e) 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 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 the Scheme shall stand modified and/or amended to the extent necessary to comply with Section 2(19AA) of the Income-Tax Act, 1961; such modification and/or amendment thereto not affect other parts of the Scheme.

#### **4.2 ASSETS:**

Without prejudice to the generality of Clause 4.1 and upon the Scheme becoming effective but with effect from the Appointed Date, the assets and properties of the Demerged Undertaking shall stand transferred to and vested in the Resulting



Company in the following manner:

- (a) All estate, assets and properties rights, claims, title, interest of the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement or acknowledgement of possession and/or delivery, the same may be so transferred by the Demerged Company, and shall, upon such transfer, become the assets and properties of the Resulting Company and title to the property will be deemed to have been transferred accordingly without any further act, instrument or deed and pursuant to the provisions of Sections 230 to 232 of the Act. Such transfer of movable properties shall be free from all Encumbrances except Permitted Asset Encumbrances.
- (b) All immovable properties (including land together with the buildings and structures standing thereon and all rights, benefits and entitlements in respect thereof and arising there from) of the Demerged Undertaking, whether freehold or leasehold and all documents of title, rights and easements in relation thereto, will stand transferred to and be vested in the Resulting Company, without any further act, instrument or deed and pursuant to the provisions of Sections 230 to 232 of the Act. The Resulting Company shall be entitled to exercise all rights and privileges and be liable to fulfil all obligations, in relation to or applicable to such immovable properties. Such transfer of immovable properties of the Demerged Undertaking shall be free from all Encumbrances except Permitted Asset Encumbrances.
- (c) The assets and properties relating to Demerged Undertaking other than those dealt with in Clause 4.2(a) and (b) including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc., shall stand transferred to and vested in the Resulting Company without any notice or other intimation to any person in pursuance to the provisions of the Sections 230 to 232 of the Act and rules framed there under read with other relevant provisions of the Act, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company. The Resulting Company shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred and vested in the Resulting Company.
- (d) Without prejudice to aforesaid and Clause 4.4, the Resulting Company may, if so required under any Applicable Law or otherwise, at any time after the Scheme becoming effective, in accordance with the provisions hereof, execute or enter into any arrangements, conveyance, confirmation deeds, documents, letters or any other instruments relating to any asset of the Demerged Undertaking with any party to any contract or agreements to which Demerged Company is a party. For such purposes, if so requested by the Resulting Company, the Demerged Company shall provide all the necessary assistance but all costs and expenses for execution of such documents shall be borne by the Resulting Company.
- (e) The transfer and vesting of Demerged Undertaking as aforesaid shall be subject to the existing Permitted Asset Encumbrance. The Encumbrance over the assets of the Demerged Undertaking to the extent such Encumbrance is not a Permitted Asset Encumbrance, shall, without any

further act, instrument or deed, be released and shall no longer be available as a security for the Remaining Business Liabilities of the Demerged Company save and except the encumbrance over the assets of the Demerged Undertaking in respect of the liabilities of the Lenders pertaining to and forming part of the Remaining Business Liabilities of the Demerged Company.

- (f) Any Encumbrance over the assets of the Demerged Company pertaining to and forming part of the Remaining Business left in the Demerged Company after the demerger becoming effective, shall no longer be available as security or recourse for liabilities pertaining to and forming part of the Demerged Undertaking that have been demerged in the Resulting Company pursuant to scheme becoming effective.

Further going forward after the scheme becoming effective, under no circumstances, encumbered assets of the Demerged Company pertaining to and forming part of the Remaining Business left in the Demerged Company shall be subject matter of any recourse, encumbrance, charge or security for liabilities pertaining to and forming part of the Demerged Undertaking that have been demerged in the Resulting Company pursuant to scheme becoming effective.

- (g) The Scheme shall not operate to enlarge the Encumbrance for the liabilities of the Demerged Company relatable to the Demerged Undertaking which shall vest in the Resulting Company by virtue of the Scheme and the Demerged Company shall not be obliged to create any further, or additional Encumbrance thereof after the Scheme has become effective or otherwise. Further, the Scheme shall not operate to enlarge the Encumbrance for any liabilities of the Resulting Company, in as much as the security shall not extend to the assets of the Demerged Company relatable to the Demerged Undertaking transferred to and vested in and/or deemed to be transferred to and vested in the Resulting Company.
- (h) The Demerged Company and the Resulting Company shall, if and when so required, execute such documents/instruments or do all such acts and deeds including filing of necessary particulars and/or modification of charge with the Registrar of Companies, Maharashtra to give formal effect to the above Clauses, at the cost and expense of the Resulting Company.

#### **4.3 LIABILITIES:**

Without prejudice to the generality of Clause 4.1 and upon the Scheme becoming effective but with effect from the Appointed Date, all the debts, liabilities, obligations and duties of any kind, nature or description (including contingent liabilities) pertaining to and forming part of the Demerged Undertaking shall be demerged from the Demerged Company and be and stand transferred to and vested in the Resulting Company in the following manner:

- (a) All the debts, liabilities, liabilities, duties and obligations of the Demerged Company which have been incurred, accrued or arisen before the Appointed Date and are relatable to the Demerged Undertaking shall, without any further act or deed, as from the Appointed Date stand transferred to and be deemed to be transferred to the Resulting Company and shall become the debts, liabilities, duties and obligations of the Resulting Company pursuant to the provisions of sections 230 to 232 of the Act and the Resulting Company shall meet, discharge and satisfy the same and further that it shall not be necessary to obtain the consent of any third party or other person

who is a party to any contract or arrangement by virtue of which such liabilities and obligations have arisen in order to give effect to the provisions of this Clause. The Resulting Company alone shall be liable to perform all obligations in respect of such liabilities and the Demerged Company will not have any obligations in respect of such liabilities. The Resulting Company undertakes to indemnify the Demerged Company, if the Demerged Company is made to discharge any such liability after the Effective Date. It is, however, made clear that this undertaking on the part of the Resulting Company is only towards the Demerged Company and shall not affect the right of the Resulting Company to question the existence, genuineness or the quantum of such liability or obligation to the claimant. It is further provided that if after the Effective Date any of the liabilities related to the Demerged Undertaking are met, discharged or satisfied by the Demerged Company then the same shall be a valid discharge of such liabilities for and on behalf of and to the account of the Resulting Company and the Demerged Company shall be entitled to recover from the Resulting Company all such payments made by the Demerged Company for and on behalf of and to the account of the Resulting Company towards discharge of such liabilities related to the Demerged Undertaking

It is clarified that all debts, loans and liabilities, duties and obligations of the Demerged Company relating to the Demerged Undertaking which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date shall be the debts, loans and liabilities, duties and obligations of the Resulting Company.

- (b) All the Remaining Business Liabilities of the Demerged Company shall continue to remain the liabilities and obligations of the Demerged Company and the Demerged Company shall remain liable to meet, discharge, satisfy and fulfil the same to the exclusion of the Resulting Company.

#### 4.4 **CONTRACTS, DEEDS, ETC.:**

Upon the Scheme becoming effective but with effect from the Appointed Date,

- (a) Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments including memoranda of understandings, arrangements, undertakings, schemes, of whatsoever nature, pertaining to the Demerged Undertaking and/or pertaining to and forming part of the Demerged Undertaking and to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall continue to remain in full force and effect, in favour of or against the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or thereunder. For avoidance of doubt, it is hereby clarified that upon the Scheme becoming effective but with effect from the Appointed Date, the Demerged Company shall have no liabilities or obligations under or in respect of such contracts, deeds, bonds, agreements, memorandum of understanding etc.
- (b) The transfer and vesting of the Demerged Undertaking in the Resulting Company and the continuance of all contracts or proceedings by or against the Resulting Company in terms of the Scheme shall not affect any contracts or proceedings relating thereto already concluded on or after the Appointed Date but before the Effective Date.

- (c) the Resulting Company may, at any time after the coming into effect of this Scheme or wherever necessary, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and enter into and/or execute deeds, writings, confirmations or novations or tripartite arrangements with any party to any contract or arrangement to which Demerged Company will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliance, referred to above on the part of the Demerged Company to be carried out or performed.
- (d) It is clarified that eve after the Effective Date, if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party and which cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such asset or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company to which the Demerged Undertaking is being transferred in terms of this Scheme, insofar as it is permissible so to do, till such time as the transfer is effected.

#### 4.5 **LEGAL PROCEEDINGS:**

Upon the Scheme becoming effective,

- (a) If on the Effective Date, any suit, petition, appeal or other proceedings (whether civil or criminal and whether pending in any court or before any statutory or judicial or quasi-judicial authority or tribunal pertaining to and forming part of the Demerged Undertaking, of whatsoever nature, by or against the Demerged Company is pending, the same shall not abate, or be discontinued or in any way be prejudicially affected by reason of this Scheme coming into effect and all such proceedings may be continued, prosecuted and enforced, by or against the Resulting Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Demerged Company, if this Scheme had not come into effect, pursuant to the provisions of Sections 230 to 232 of the Act and without any further act, instrument or deed. The Resulting Company shall get itself substituted in all such legal or other proceedings in place of the Demerged Company and take all steps as may be necessary to have the proceedings continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company.
- (b) All subsequent legal and other proceedings pertaining to any matters concerning the Demerged Undertaking, after the Effective Date, shall be initiated by or against the Resulting Company to the exclusion of the Demerged Company. The Resulting Company shall bear all costs, charges and consequences arising out of such legal and other proceedings and shall keep the Demerged Company indemnified and harmless, if the Demerged Company is made to bear any such costs, expenses and consequences.

#### 4.6 EMPLOYEES:

Upon the Scheme becoming effective,

- (a) Pursuant to the provisions of Sections 230 to 232 of the Act and without any further act, instrument or deed, all the employees engaged in or in relation to the business activities and operations of the Demerged Undertaking who are in service of the Demerged Company on the Effective Date, shall become the employees of the Resulting Company on such date without any break or interruption in service and on terms and conditions as to remuneration and otherwise, not less favorable than those subsisting as on the Effective Date.
- (b) The Resulting Company shall continue to abide by any agreements / settlements entered into by the Demerged Company in respect of Demerged Undertaking with any Union/ representatives of the employees.
- (c) The balances standing in the accounts of employees of the Demerged Undertaking who are transferred to the Resulting Company in terms of this Scheme, in Provident Fund, Superannuation / Pension Fund, ESI or other such funds and investments relatable thereto as on the Effective Date, shall be transferred to the necessary funds, schemes or trusts to be created by the Resulting Company and till the time such necessary funds, schemes or trusts are created by the Resulting Company, all contribution shall continue to be made to the existing funds, schemes or trusts of Demerged Company.
- (d) If any question arises as to whether an employee is engaged in or in relation to the business activities and operations of the Demerged Undertaking, the same shall be decided by mutual agreement between the Boards of the Demerged Company and the Resulting Company.
- (e) The Resulting Company agrees that the service of all the employees transferred to the Resulting Company as above up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Demerged Company up to the Effective Date. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Demerged Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

#### 4.7 LICENSES AND PERMISSIONS:

Upon the Scheme becoming effective, all licences, no-objection certificates, permissions, approvals, sanctions, consents, authorizations, registrations, quotas, rights, entitlements, including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto pertaining to the Demerged Undertaking or the business activities and operations thereof, which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Resulting Company and shall be deemed to constitute separate licence etc. in the name and for the benefit of the Resulting Company with effect from the Effective Date, pursuant to the provisions of 230 to 232 of the Act and without any further act or deed by the Demerged Company and/or the Resulting Company and such licences etc. shall be appropriately mutated/ transferred/ changed/ modified/ endorsed/ split up by the competent authorities concerned in the name and for the benefit of the Resulting Company as soon as the Scheme becomes effective without any hindrance so as to enable the

Resulting Company to continue to carry on the operations of the Demerged Undertaking without any interruption, difficulty or disadvantage and in the same manner and with same privileges and benefits as was being carried on by the Demerged Company before the Effective Date. The Resulting Company and/or the Demerged Company shall file appropriate intimations, where ever required, for the record of the competent authorities concerned who shall take the same on record and make the necessary changes and modifications in the relevant records pursuant to the sanction of the Scheme.

**4.8 ISSUE OF REDEEMABLE PREFERENCE SHARES BY THE RESULTING COMPANY:**

- (a) Upon the Scheme becoming effective and upon vesting of the Demerged Undertaking of the Demerged Company in the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot to every member of the Demerged Company holding fully paid up Class A Equity Shares, Class B Equity Shares and Class C Equity Shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company, on the Effective Date, his/her heirs, executors, administrators or the successors-in-title, as the case may be, in the following proportion:
  - (i) 17 (Seventeen only) Redeemable Preference Share of Rs. 10/- each credited as fully paid up of the Resulting Company shall be issued and allotted for every 1,30,000 (One Lakh Thirty Thousand only) Class A Equity Shares of the face value of Rs. 10/- each fully paid up held in the Demerged Company.
  - (ii) 17 (Seventeen only) Redeemable Preference Share of Rs. 10/- each credited as fully paid up of the Resulting Company shall be issued and allotted for every 1,30,000 (One Lakh Thirty Thousand only) Class B Equity Shares of the face value of Rs. 10/- each fully paid up held in the Demerged Company.
  - (iii) 27 (Twenty Seven Only) Redeemable Preference Share of Rs. 10/- each credited as fully paid up of the Resulting Company shall be issued and allotted for every 38 (Thirty Eight only) Class C Equity Shares of the face value of Rs. 10/- each fully paid up held in the Demerged Company.
- (b) The Redeemable Preference Shares to be issued to the holders of Equity Shares of the Demerged Company pursuant to sub clause (a) above shall:
  - (i) be subject to and governed by the provisions of section 55 and other applicable provisions of the Act of 2013 and the provisions of the Memorandum and Articles of the Association of the Transferee Company;
  - (ii) be Non Cumulative and entitle the holders thereof to Dividend @ 9%.
  - (iii) be redeemed at par on the expiry of 120 months from the date of allotment. The Resulting Company shall, however, have the option to prematurely redeem the Redeemable Preference Shares at any time after the expiry of 48 months from the date of allotment but before the due date of redemption. In the event the Resulting Company, through a resolution passed by its Board of Directors, exercise the option to prematurely redeem the Redeemable Preference Shares, the Resulting Company shall give written notice to this effect to the Preference Shareholders at least 30 days prior to the proposed date of redemption approved by the Board.

(iv) be non voting except on resolutions placed before the company which directly affect the rights attached to the Redeemable Preference Shares.

(v) carry a preferential right over the Equity Shares with respect to payment of dividend and repayment in the case of winding up or repayment of capital but shall not entitle the holders thereof a right to participate in surplus fund and/or surplus assets or profits in the event of winding up.

It is clarified that dividend, if any, declared by the Resulting Company on the Redeemable Preference Shares for the financial year during which the Redeemable Preference Shares are allotted by the Resulting Company in terms of sub clause(a) above shall be paid by the Resulting Company for whole of the said financial year irrespective of the date of allotment.

- (c) The Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of Redeemable Preference Shares to the holders of Equity Shares of the Demerged Company under the Scheme.
- (d) Under and pursuant to the Scheme, the entitlement for fractional shares in the Resulting Company, if any, of the holders of Equity Shares of the Demerged Company shall be rounded off to one share.
- (e) It shall be deemed that the members of the Resulting Company have also resolved and accorded all relevant consents in terms of the provisions of Section 62(1)(c) and other applicable provisions of the Act for issue of Preference Shares in terms of clause 4.8(a) above. It is clarified that there will be no need to pass a separate share holders' resolution for the purpose under the Act.

4.9 On and from the Appointed Date and up to and including the Effective Date:

- (a) The Demerged Company shall carry on and be deemed to have been carrying on all business, operations and activities relating to the Demerged Undertaking and shall hold and stand possessed of and/or shall be deemed to have held and stood possessed of the Demerged Undertaking for and on account of, and in trust for the Resulting Company .
- (b) The Demerged Company shall carry on the Demerged Undertaking with reasonable diligence and prudence, in the ordinary course of business and the Demerged Company shall not alienate, charge or encumber any of the properties and assets in relation to the Demerged Undertaking, except in the ordinary course of business.
- (c) All profits and income accruing or arising to the Demerged Company or expenditure, or losses arising or incurred by Demerged Company relating to the Demerged Undertaking shall, for all purposes, be treated as profits and income accruing or arising and deemed to accrue or arising as profits or income or expenditure or losses, as the case may be, of the Resulting Company.
- (d) Upon the Scheme becoming effective, the possession and power of the Demerged Company to carry on business of the Demerged Undertaking in trust for the Resulting Company as provided in sub-clause (a) above, shall, without any further act or deed, come to an end and thereafter the Resulting

Company shall stand possessed of all the assets and properties of the Demerged Undertaking and shall carry on and be deemed to have carried on the business and activities in relation to the said Undertaking for its own benefit.

- (e) All income, receipts and gains of whatsoever nature and all expenses, payments and losses of whatsoever nature relating to the Demerged Undertaking pertaining to the period on and after the Appointed Date shall accrue to the Resulting Company .
- (f) The Demerged Company shall not utilize the profits or income, if any, relating to the Demerged Undertaking for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of the Resulting Company.
- (g) The Demerged Company shall not after the Appointed Date and until the coming into effect of the Scheme, issue or allot any further securities, by way of rights or bonus or otherwise without the prior written consent of the Board of Directors of the Resulting Company.

#### **4.10 SAVING OF CONCLUDED TRANSACTIONS:**

Nothing in the Scheme shall affect any transaction or proceeding already concluded by the Demerged Company in respect of the Demerged Undertaking, on or after 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 regard to the Demerged Undertaking as if it is done and executed by the Resulting Company itself.

- 4.11 After the Effective Date and as soon as possible, the Demerged Company shall handover to the Resulting Company all the relevant records, title deeds, contracts, agreements, licenses, instruments, and all other documents and information pertaining to the assets, properties, rights, privileges, liabilities and obligations etc. of the Demerged Undertaking which shall stand transferred to and vested in the Resulting Company in terms of this Scheme.
- 4.12 The Scheme provides for the transfer and vesting of Demerged Undertaking on going concern basis with effect from the Appointed Date and nothing contained in any of the clauses of this Scheme shall be construed to imply transfer of individual assets and liabilities or any combination thereof or with effect from a date other than the Appointed Date, except as expressly provided in the Scheme.

### **PART – V**

#### **REMAINING BUSINESSES (OTHER THAN DEMERGED UNDERTAKING) OF THE DEMERGED COMPANY**

- 5.1 The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.
- 5.2 All legal, taxation and/or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising



before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company. The Resulting Company shall not in any event be responsible or liable in relation to any such legal, taxation or other proceeding against the Demerged Company, which relate to the Remaining Business.

## **PART – VI**

### **ACCOUNTING AND TAX TREATMENT**

#### **6.1 ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY**

- (a) The Resulting Company, upon the Scheme becoming effective, record the assets and liabilities of the Demerged Undertaking of the Demerged Company vested in it pursuant to this Scheme, at the respective book values, ignoring revaluations, if any, as appearing in the books of the Demerged Company at the close of business of the day immediately preceding the Appointed Date.
- (b) The Resulting Company shall credit the aggregate face value of the Redeemable Preference Shares made by the Resulting Company pursuant to clause 4.8(a) of this Scheme to its share capital.
- (c) The deficit or excess, if any, remaining after recording the book value of net assets of the Demerged Undertaking of the Demerged Company in terms of sub-clause (a) above and the amount of the consideration in terms of sub-clause (b) above, shall be debited to goodwill by the Resulting Company or credited to capital reserve, as the case may be.

#### **6.2 ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY**

- (a) Upon the Scheme becoming effective, the Demerged Company shall reduce the book value of assets and liabilities pertaining to the Demerged Undertaking.
- (b) The difference, being the excess of the book value of liabilities demerged over the book value of assets demerged shall be credited to capital reserve account in the books of the Demerged Company.

#### **6.3 TAX TREATMENT:**

- (a) All Taxes, duties, cess, etc. relating to the Demerged Undertaking payable by the Demerged Company including all or any liability/refunds/credits/claims pertaining to the period after the Appointed Date but up to the Effective Date shall be treated as liability/refunds/credits/claims of the Resulting Company.
- (b) All Taxes, duties, cess, etc. relating to the Demerged Undertaking payable by the Demerged Company including all or any liability/refunds/credits/claims pertaining to the period after the Effective Date shall be treated as liability/refunds/credits/claims of the Resulting Company.
- (c) Without prejudice to aforesaid, the tax deducted at source (TDS)/advance

tax/self-assessment tax, paid if any, for / by the Demerged Company under the Income Tax Act, 1961 and rules made there under or any statutory modification, amendment or re-enactment thereof for the time being in force in respect of income assessable to the Demerged Undertaking of the Demerged Company relating to the period from the Appointed Date up to the Effective Date shall be deemed to be TDS /advance tax/self-assessment tax paid by the Resulting Company and credit for such TDS /advance tax/self-assessment shall be allowed to the Resulting Company notwithstanding that certificates or challans for TDS /advance tax/self-assessment are in the name of the Demerged Company and not in the name of the Resulting Company. Accordingly, upon the Scheme becoming effective, pursuant to the provisions of this Scheme, the Demerged Company and the Resulting Company are expressly permitted to file its respective income-tax, sales-tax, value added tax, goods and service tax, turnover tax, excise duty, service tax, customs and any other return(s) (including revised returns) to claim advance tax, withholding tax, refunds/credits.

- (d) Further both the Demerged Company and the Resulting Company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by the Demerged Company and the Resulting Company for any year, if so necessitated or consequent to this Scheme, notwithstanding that the time prescribed for such revision may have elapsed. For avoidance of doubt, the Resulting Company shall have the right to claim refunds, advance tax credits etc., relating to the Demerged Undertaking for the period on and after the Appointed Date.
- (e) All Tax benefits relating to the Demerged Undertaking enjoyed by the Demerged Company pertaining to the period after the Appointed Date shall be treated as Tax benefit of the Resulting Company.

## **PART –VII**

### **GENERAL TERMS AND CONDITIONS**

#### **7.1 APPLICATION TO NCLT:**

The Resulting Company and the Demerged Company shall jointly and with all reasonable dispatch, make all applications/ petitions/ affidavits etc. under Section 230 to 232 of the Act and other applicable provisions of the Act to the NCLT for directions to convene and/or dispense with all or any of the meetings and other directions and for the sanctioning of the Scheme and to other authorities and bodies for obtaining their approvals, no objections, consents etc., as may be required, under any law, agreement or otherwise and for such other orders as the NCLT may deem fit for bringing the Scheme into effect and all matters ancillary or incidental thereto.

#### **7.2 MODIFICATION OR AMENDMENTS TO THE SCHEME:**

- (a) The Demerged Company and the Resulting Company by their respective Board of Directors or such other person or persons, as the respective Board Of Directors may authorize including any committee or sub-committee thereof, may consent to and/or assent to or make from time to time, any modifications/ amendments (i) to the Scheme (including but not limited to the terms and conditions thereof) or (ii) to any conditions or limitations that the NCLT or any other regulatory authority may deem fit to direct or

impose; or (iii) which may otherwise be considered necessary, desirable or appropriate by them. No further approval of the shareholders or the creditors of any of the two Companies shall be necessary for giving effect to the provisions contained in this clause. The aforesaid powers of the Demerged Company and the Resulting Company to give effect to the modifications/amendments shall be subject to approval of the NCLT or any other authorities under the Applicable Law.

- (b) The Demerged Company and the Resulting Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of, or under, or by virtue of the Scheme and/or any matter concerned or connected therewith, including but not limited to any questions relating to whether any assets or liabilities of the Demerged Company are included in the definition of “Demerged Undertaking”.

### **7.3 CONDITIONALITY OF THE SCHEME:**

This Scheme is conditional upon and subject to:

- (a) The approval to the Scheme by the requisite majorities of the members and creditors of the Demerged Company and of the members and creditors of the Resulting Company.
- (b) The requisite resolution(s) under the applicable provisions of the Act being passed by the Shareholders of the Resulting Company for any of the matters provided for or relating to the Scheme, as may be necessary or desirable, including approval to the issue and allotment of Preference Shares in the Resulting Company to the equity shareholders of the Demerged Company.
- (c) The sanction of the NCLT at Mumbai under Sections 230 to 232 and other applicable provisions of the Act in favour of the Demerged Company and the Resulting Company and to the necessary Order or Orders under the said provisions of the Act, being obtained.
- (d) Any other sanction or approval of the Appropriate Authorities concerned, as may be considered necessary and appropriate by the respective Boards of Directors of the Demerged Company and the Resulting Company being obtained and granted in respect of any of the matters for which such sanction or approval is required.
- (e) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

### **7.4 MODIFICATION TO THE MEMORANDUM OF ASSOCIATION**

- (a) Upon coming into effect of the Scheme the existing Clause V of the Memorandum of Association of the Resulting Company shall stand deleted and instead substituted with new clause V as under:

“ V. The Authorised Share Capital of the Company is Rs. 100,00,000/- (Rupees One Crore only), divided into 1,00,000 (One Lakh only) equity shares of Rs. 10 (Ten) each and 9,00,000 (Nine Lakh only) preference shares of Rs. 10 (Ten) each.”

- (b) The Resulting Company will pay necessary stamp duty in respect of the increase in authorized capital in terms of sub clause (a) above and will file the necessary forms and pay the filing fees with Registrar of Companies.
- (c) It shall be deemed that the members of the Resulting Company have also resolved and accorded all relevant consents in terms of the provisions of Section 61 and other applicable provisions of the Act. It is clarified that there will be no need to pass a separate share holders' resolution for the purpose under the Act.

## **7.5 OTHER TERMS**

- (a) Before the Scheme becomes effective, the Board of Directors of the Demerged Company as well as the Board of Directors of the Resulting Company shall be at liberty to withdraw from the Scheme, if any condition or alteration imposed by the Court or any other authority is not acceptable to either of them or if any material change in the circumstances takes place. No approval of the shareholders or the creditors of any of the Demerged Company and the Resulting Company shall be necessary for giving effect to the provisions contained in this clause.
- (b) The respective Board of Directors of the Demerged Company and the Resulting Company may empower any committee of directors or any officer(s) to discharge all or any of the powers and functions, which the said Board of Directors are entitled to exercise and perform under this Scheme and may empower such committee or officer(s) to sub-delegate the authority so delegated.
- (c) If any part of this Scheme is found invalid or ruled illegal by any court or authority of competent jurisdiction or found unenforceable under the present or future laws, then it is the intention of the Demerged Company and the Resulting Company 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 the Scheme to become materially adverse to any of the Demerged Company or the Resulting Company, in which case the Board of Directors of the respective companies shall attempt to bring about a modification in the Scheme, as will best preserve for the respective companies, the benefits and obligations of this Scheme, including but not limited to such part or provision. It is made clear that no further approval of the shareholders or the creditors of any of the said companies shall be necessary for giving effect to the provisions contained in this clause.
- (d) In the event of any of the sanctions and approvals referred to in the scheme not being obtained and/or the scheme not being sanctioned by the Jurisdictional NCLT or such other competent authority for any reason whatsoever, or if either of them withdraw from the Scheme in accordance with the provisions made hereinabove, the Scheme shall become null and void and in that event, no rights and liabilities, whatsoever, shall accrue to or be incurred inter-se by the Demerged Company and the Resulting Company or their shareholders or creditors or employees or any other person. No further approval of the shareholders or the creditors of any of the Demerged Company and the Resulting Company shall be necessary for giving effect to the provisions contained in this clause.

- (e) The approval of/ consent to the Scheme by the shareholders and the creditors of the Demerged Company and the Resulting Company pursuant to Section 230 to 232 and other applicable provisions of the Act shall be deemed to be the compliance with all the applicable provisions of the Act and other Applicable Law for all actions to be taken pursuant to the Scheme.

#### **7.6 COST, CHARGES AND EXPENSES:**

All costs, charges and expenses (save and except stamp duty, registration fee and mutation expenses for transfer and vesting of the Demerged Undertaking and all costs in relation to enhancement of authorized share capital of Resulting Company and issuance of shares by the Resulting Company) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Demerged Company. Stamp duty, registration fee and mutation expenses for transfer and vesting of the Demerged Undertaking in the Resulting Company and all costs in relation to enhancement of authorized share capital of Resulting Company and issuance of shares by the Resulting Company incurred in carrying out and implementing the terms and provisions of this Scheme shall be borne by the Resulting Company.

#### **7.7 INDEMNITY**

In the event of any default in fulfillment of any or all obligations under this Scheme by the Demerged Company/Resulting Company inter-se or to third parties, the company in default shall indemnify and keep indemnified at all times the company not in default for any losses, costs, charges and expenses suffered and/or incurred by the company not in default as a consequence of such non-fulfillment of obligations by the company in default.

## **SCHEDULE 1**

### **DESCRIPTION OF DEMERGED UNDERTAKING**

#### **Part A- Demerged Undertaking**

“Demerged Undertaking” means the entire business of real estate development of the Demerged Company on mill land, such business of real estate development comprising of the residential real estate tower known as Sesen consisting of 54 floors constructed/being constructed on Project Mill Land (“Sesen”) on a going concern basis including the following: –

- (i) All right, title and interest held by the Demerged Company by and under an Indenture of Conveyance dated 20th March, 2007 registered with the Sub-Registrar of Assurances at Mumbai under Serial No. BBE 1-02963 of 2007 executed by National Textile Corporation (South Maharashtra) Limited in favour of the Demerged Company together with benefits, rights and entitlements under all other deeds, documents, writings, letters, NOC's, memorandums, circulars, notifications, etc in respect Project Mill Land more particularly described in Part B of this Schedule hereunder written.
- (ii) Fully/partially constructed 13 (Thirteen) Unsold residential units in Sesen and more particularly detailed in Part C of this Schedule hereunder written and 8 (Eight) fully/partially constructed residential units sold for which agreements and registration thereof are pending and more particularly detailed in Part D of this Schedule hereunder written;
- (iii) All ancillary and support infrastructure, developments and other facilities which pertain to or relate to the Demerged Undertaking and its business;
- (iv) All accounts receivable, notes receivable and other comparable rights together with the collateral security thereof, if any, which pertain to or relate to the Demerged Undertaking and its business;
- (v) All agreements, commitments and obligations entered into by the Demerged Company, which pertain to or relate to the Demerged Undertaking and its business including receivables and obligations in respect of all the sold/unsold residential units in Sesen together with the obligation to execute the final transfer document of the Project Mill Land with Society/ organization of purchasers in respect of the all units / structures for the Project Mill Land;
- (vi) All approvals required for developing, maintaining, operating, constructing, building, or otherwise owning the Demerged Undertaking including all approvals which pertain to or relate to the Demerged Undertaking and its business;
- (vii) All funds and other assets of employee benefit funds/schemes, being provident fund, gratuity, leave salary and bonus, which pertain to the employees of the Demerged Undertaking;
- (viii) Employees engaged in relation to the Demerged Undertaking;
- (ix) All financing arrangements which pertain to or relate to the Demerged Undertaking and its business;

- (x) All insurance policies or agreements for insurance and interests in insurance pools and programs of the Demerged Company and related to the Demerged Undertaking and its business;
- (xi) All claims, judgments, proceedings, demands, lawsuits, causes of action, chose-in- action, and rights of recovery which pertain to or relate to the Demerged Undertaking and its business;
- (xii) All movable property relating to or comprising the Demerged Undertaking and interest therein, including without limitation, fixtures, furniture, supplies, accessories, materials, equipment, tools parts, vehicles, machinery, office equipment, generators, computers, telephones, books and records and all other assets and items of tangible personal property including the ones hypothecated, in each case owned by, leased to or used by the Demerged Company and related to the business of the Demerged Undertaking;
- (xiii) All books, records, files, papers, engineering and process information, computer programs, software licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic forms which pertain to or relate to the Demerged Undertaking and its business;
- (xiv) Any rights to any bank guarantee, security deposits, pre-paid expenses or other amounts deposited with government entities or third party which pertain to or relate to the Demerged Undertaking and its business ;
- (xv) The goodwill of the Demerged Undertaking as a going concern;
- (xvi) All Intellectual Property Rights relating to the Demerged Undertaking;
- (xvii) All advances received from its customers which pertain to or relate to the Demerged Undertaking and its business;
- (xviii) Any other assets, property or right of the Demerged Company in respect of the Demerged Undertaking including but not limited to powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the rights, titles, interests, benefit and advantage (including tax benefits and tax holidays), deposits, reserves, provisions, advances, receivables, funds, accounts and all other rights, claims and ownership of whatsoever nature and wherever situated belonging to or in the possession of or granted in favour of or enjoyed by the Demerged Company in connection with or pertaining or relatable to the business of the Demerged Undertaking.
- (xix) All liabilities (actual or contingent), obligations and commitments which relate to or are comprised in the Demerged Undertaking and its business;

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

(A) The liabilities, obligations and commitments, 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.

(C) Liabilities other than those referred to in sub-clauses (a) and (b) 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 Demerged Undertaking under this Scheme bear to the total value of the assets of Demerged Company immediately before giving effect to this Scheme.

The Board of Directors of the Demerged Company and the Resulting Company shall by mutual consent/agreement decide any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking as also the manner and amount of allocation of any general or multipurpose borrowing of the Demerged Company to the Demerged Undertaking subject however that, the aggregate of such allocation out of whole of general or multipurpose borrowing of the Demerged Company to the Demerged Undertaking shall be in proportion to the value of the assets of the Demerged Undertaking bear to the total assets of the Demerged Company immediately before giving effect to this Scheme.

**Part B- Project Mill Land**

**Project Mill Land** means all that piece or parcel of land or ground admeasuring 5,212.41 square metres or thereabouts bearing Cadastral Survey No. 579 of Malabar and Cumballa Hill Division in the Registration District of Mumbai, together with the building(s) being developed and constructed / to be developed and constructed thereon to be known as “Sesen” situate at 29, Nepean Sea Road, Mumbai 400 006 and bounded as follows, that is to say:-

- On or towards the North: Property of Hormasji Nowroji Davar;
- On or towards the East : Vacant land belonging to the trustees of the Parsi Panchayat;
- On or towards the South: Property of Dadabhoy Nowroji Davar; and
- On or towards the West: Napean Sea Road

**Part C- Sesen**

Fully/partially constructed unsold residential units in the buildings known as Sesen constructed/being constructed on Project Mill Land

Sr no	Unit No.	Carpet Area	Stage of construction
		(in sq. mtr.)	
1	101	449.15	RCC complete
2	201	449.15	RCC complete
3	301	449.15	RCC complete
4	401	449.15	RCC complete
5	501	449.15	RCC complete
6	601	449.15	RCC complete
7	1001	449.15	RCC complete
8	1501	462.00	RCC complete
9	2001	794.76	To be constructed
10	2101	794.76	To be constructed
11	2201	794.76	To be constructed
12	2301	794.76	To be constructed
13	2401	794.76	To be constructed
<b>Total</b>		<b>7,579.85</b>	



**Part D- Sesen**

Fully/partially constructed residential units sold/allotted which is pending execution of sale agreements and registration thereof in the buildings known as Sesen constructed/being constructed on Project Mill Land

Sr no	Unit No.	Carpet Area	Stage of Completion
		(in Sq.mts.)	
1.	701	449.15	RCC complete
2	1101	449.15	RCC complete
3	1201	449.15	RCC complete
4	1401	462.00	RCC complete
5	1601	462.00	Partly constructed
6	1701	462.00	To be constructed
7	1801	462.00	To be constructed
8	1901	462.00	To be constructed
<b>Total</b>		<b>3,657.45</b>	

**Recommendation of Fair Value share entitlement  
for the**

**Proposed Demerger of Business Undertaking of  
'Mill Land Development'**

**from**

**Satellite Developers Private Limited (Demerged Company)**

**to**

**Sesen Realty Private Limited (Resulting Company)**

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**Recommendation of Fair Value share entitlement for the**

**Proposed Demerger of Business Undertaking of 'Mill Land Development'  
from Satellite Developers Private Limited (Demerged Company)  
to Sesen Realty Private Limited (Resulting Company)**

**PART - I**

**1. Introduction**

**1.1 Terms of reference**

Satellite Developers Private Limited (SDPL or Demerged Company) is the flagship Company belonging to the "Satellite Group" is engaged in the business of Real Estate Development consisting of distinct real estate business undertakings namely (a) Real estate development on mill land (b) Real estate development on slum land and (c) Real estate development on land other than mill/slum land

We have been informed that the Board of Directors of SDPL proposes to transfer/demerge one of its identified business undertaking namely the business of real estate development on mill land (Demerged Undertaking) to Sesen Realty Private Limited (SRPL) (Resulting Company) pursuant to the proposed Scheme of Arrangement (Scheme) in terms of the provisions of Section 230 to 232 and other applicable provisions of Companies Act 2013, including rules and regulations made there under. Subject to necessary approvals, Demerged undertaking of SDPL would be demerged into SRPL with effect from the Appointed Date of April 1, 2019. In consideration of demerger of the Demerged Undertaking into SRPL, Redeemable Preference Shares of SRPL would be issued to all the Equity Share holders of SDPL.

We have been requested by the Management of SDPL to undertake of fair valuation of the Demerged Undertaking of SDPL and recommend fair entitlement ratio of Redeemable Preference Shares of SRPL to be issued to different classes of equity shareholders of SDPL for consideration of Board of Directors of the Company.

For this Purpose we have carried out valuation of the Demerged Undertaking of SDPL with view to recommend fair entitlement ratio of Redeemable Preference Share of SRPL to be issued to all class of equity shareholders of SDPL for consideration of Boards of Directors of the Companies.

*Manish*





## 1.2 Disclaimer

This report is in accordance with the applicable framework laid down in the Indian Valuation Standards, however, subject to the inherent limitations of performing a valuation assignment.

During the course of work, we have relied upon assumptions and projections made by the management. These assumptions require the exercise of professional as well as reasonable due diligence & professional skepticism to be applied for relying on the information whether financial or non-financial as discussed with the management & reliable sources for market analysis with an application of in-depth knowledge & analytic skills. We have assumed that they have furnished us all information, which they are aware of concerning the financial statements and liabilities, which may have an impact on our report.

A value is determined at a point in time, taking into consideration, the economic, and social and market patterns existing at that point in time. To the extent that the assumed events do not occur, the outcome may vary from expected. We have reviewed the information provided to us for overall consistency with the nature of the business. However, our review was neither an audit nor a due diligence.

We have applied an attitude of professional skepticism, with our ability to study the information and knowledge of business and economic activities & valuation approaches & methods followed as per Indian Valuation Standards issued by ICAI in preparation of the valuation report.

Whilst all reasonable care has been taken to ensure that the facts stated in the report are accurate and the opinions given are fair and reasonable, neither ourselves, nor any of our Partners, Officers or Employees shall in any way be responsible 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 statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this report. We are not liable to any third party in relation to the issue of this report. This valuation has been performed for the objective stated above and may need to be reviewed if it is sought to be used for any other purpose.

The opinion as to the value of the Companies is based on the information provided by the management of the companies only. This information's have been assumed to be correct.





The valuation is based mainly on the future earnings which may vary from the actual in future. However, we owe no duty for any updation for events occurring after the report date.

For the present valuation exercise, we have also relied on information available in public domain, however the accuracy and timeliness of the same has not been independently verified by us. Further, there may be matters, other than those noted in this report, which might be relevant in the context of the transaction and may be uncovered under a wider scope.

The intended users of valuation may be present and potential investors, employees, lenders, suppliers and other trade creditors, customers, governments and their agencies and the public which may be useful in decision making.

This report and information contained herein are absolutely confidential and are intended for the sole use by it's user or providing select information and only in connection with the purpose as set out above, including for the purpose of obtaining requisite statutory and regulatory approvals. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued. We will not accept any responsibility to any other party to whom this report may be shown or who may acquire a copy of the report, without our written consent.

However, as such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein. We do not take any responsibility for any change in the information used for any reason, which may occur subsequent to the date of our report. We have no obligation to update this report for events or circumstances occurring subsequent to the date of this report.

The scope of our valuation assignment did not involve us to perform audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided during the course of the work.

In the particular circumstances of this case, our liability (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 Satellite Developers Private Limited, excluding out of pocket expenses and statutory levies, as laid out in the engagement letter, for such valuation work.



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.

### **1.3 Confidentiality and Privileges :**

This report is provided, for the use by and on behalf of the Demerged Company and the Resulting Company. It shall not confer any rights or remedies upon, any other person.

Valuation analysis and result are specific to the purpose of valuation and the valuation date mentioned in the report. It may not be valid for any other purpose or as at any other date.

Valuation analysis and result are also specific to the date of this report. A valuation of this nature involves consideration of various factors including those impacted by market trends in general and industry trends in particular. As such, our valuation results are, to a significant extent, subject to continuance of current trends beyond the date of the report. We however, have no obligation to update this report for events, trends or transactions relating to the Company or the market/economy in general and occurring subsequent to the date of this report.

In the course of the valuation, we were provided with both written and verbal information, including market, technical, financial and operating data. We have however relied upon the information provided to us by the Company and have not carried out a due diligence or audit of the Company for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided. We do not imply and it should not be construed that we have verified any of the information provided to us. We are not responsible for arithmetical accuracy/logical consistency of any financial model or business plan provided by the Company and used in our valuation analysis. The terms of our engagement were such that we were entitled to rely upon the information provided by the Company without inquiry. Also, we have been given to understand by the Management that it has not omitted any relevant and material factors and that it has checked out relevance or materiality of any specific information to the present exercise with us in case of any doubt. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. Our conclusions are based on these assumptions, forecasts and other information given by/on behalf of the Company. The management of the Company has indicated to us that it has understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the above information furnished by the Company and their impact on the present



exercise. Also, we assume no responsibility for technical information furnished by the Company and believed to be reliable.

We express no opinion on the achievability of the forecasts given to us. The assumptions used in their preparations, as we have been explained, are based on the management's present expectation of both – the most likely set of future business events and circumstances and the management's course of action related to them. It is usually the case that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the forecast period may differ from the forecast and such difference may be material.

No investigation of the Company's claim to title of assets has been made for the purpose of this valuation and the Company's claim to such rights has been assumed to be valid.

The fee for the report is not contingent upon the results reported.

We do not accept any liability in relation to the issue of this valuation report.

Neither the valuation report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties without our prior written consent. We retain the right to deny permission for the same.

#### **1.4 Source of Information**

We have relied upon the following sources of information:

- Audited statement of accounts for the year ended 31<sup>st</sup> March, 2018 of the Demerged Company and the Resulting Company.
- Unaudited statements of accounts for the year ended 31<sup>st</sup> March, 2019 of the Demerged Company and the Resulting Company.
- Management Certified position of assets and liabilities of the Demerged Undertaking as at 31<sup>st</sup> March 2019 (in accordance with section 2(19AA) of the Income Tax Act 1961).
- Unaudited Profit & Loss Account of the undertaking for F Y 2018-19.
- Discussions with the management and other key personnel of the Company regarding past, current and future business operations.
- Share Holding Pattern of the Demerged Company and Resulting Company.





## 2. Background

### 2.1 Satellite Developers Private Limited ("SDPL" or the "Demerged Company")

SDPL was incorporated on 17<sup>th</sup> February, 1953 under the Companies Act, VII of 1913 under the name "The Selective Chemicals Private Limited". The said name was later changed to its present name consequent upon change in the name of the Company vide certificate dated 30<sup>th</sup> December, 2003 issued by the Registrar of Companies, Mumbai. SDPL is a Company belonging to the "Satellite Group". SDPL commenced the business of real estate and property development since F Y 2001-02 and presently mainly engaged in the business of Real Estate Development consisting of land, buildings and other immovable properties. The Company has adopted Percentage Completion Method and in respect of projects started before 1<sup>st</sup> April 2012 percentage of completion is determined as a proportion of construction cost incurred to total estimated construction cost. "Percentage of completion" in respect of projects started after 1<sup>st</sup> April 2012 is determined as a proportion of total projects costs incurred to the total estimated projects cost as per Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by ICAI. As at 31<sup>st</sup> March, 2019, SDPL is in the process of implementing certain real estate projects, the cost incurred in relation to which till 31<sup>st</sup> March, 2019 has been included in the head "Property Development in Progress" under Current Assets in its unaudited accounts as at 31<sup>st</sup> March, 2019. SDPL, as at 31<sup>st</sup> March, 2019 also held fully completed real estate properties which have been shown under the head "Stock of Premises" in its unaudited accounts as at 31<sup>st</sup> March, 2019. The Company's capital as at 31<sup>st</sup> March, 2019 was Rs.52,19,06,910/- consisting of 5,21,90,961 Class "A" equity shares of the face value of Rs.10/- each fully paid up, Rs 56,000/- consisting of 5,600 Class "B" equity shares of the face value of Rs.10/- each fully paid up, Rs 1,20,00,000/- consisting of 12,00,000 Class "C" equity shares of the face value of Rs.10/- fully paid up, Rs 1,640/- 10% redeemable non-cumulative preference shares of Rs.10/- each fully paid-up. Class A, Class B and Class C Equity Shares are pari passu in all respects except that Class B & C Equity Shares are entitled for differential voting rights vis-à-vis Class A Equity Shares and Class "C" equity shares have right to receive shares of the company upon capitalization of profit/dividend entitlement/capital repayment upon liquidation etc. equivalent to 125 times of the entitlement of shares of Class A & B equity Shareholders.

*Manish*





**2.2 Sesen Realty Private Limited ("SRPL" or the "Resulting Company")**

Sesen Realty Private Limited was incorporated on 22<sup>nd</sup> March 2018. The main object of the company is to engage in business of Real Estate Development consisting of land, buildings and other immovable properties.

**3. Purpose of Valuation**

As stated earlier, it is proposed by the management of the Demerged Company to transfer/demerge the Demerged Undertaking of the Demerged Company to the Resulting Company with effect from 1<sup>st</sup> April, 2019. In terms of the proposed Scheme of Arrangement, Redeemable Preference shares of the Resulting Company i.e. SRPL would be issued and allotted to the different Classes of Equity Shareholders of SDPL in consideration of the transfer and vesting of the assets / business of the said Demerged Undertaking with the Resulting Company.

**4. Rationale for Demerger**

We are given to understand that the proposed Scheme of Arrangement has been decided in view of the following reasons:

Satellite Developers Private Limited (SDPL or Demerged Company) has been carrying on business of real estate development since many years.

In 1971 or thereabouts certain plots of land with other assets of sick textile mills were nationalized and were vested with a Central Government Undertaking viz. NTC Limited, which in course of time, was demerged into several entities. Thus NTC (SM) Limited came to be vested with plots of sick textile mills (which were nationalized) in the City of Mumbai and other parts of Maharashtra.

In course of time certain special regulations were promulgated by MCGM for development of plots of land of textile mills.

NTC (SM) obtained certain special approvals from Municipal Corporation of Greater Mumbai (MCGM), and started selling plots of textile mills held by it.

*Manish*



In 2007 or thereabouts, SDPL (Demerged Company) acquired a plot of land at Nepean Sea Road, bearing C.S. No. 597 at Malabar & Cumballa Hill Division, Mumbai District, ('the said Plot') from NTC (SM) Limited. Since development of the said Plot was to be carried out under the special regulations promulgated for development of textile mills; SDPL has considered business of development of mill land as a distinct undertaking ('the said Undertaking').

SDPL has resolved to demerge / spin off business of mill land development i.e. the said Undertaking as a distinct entity (Resulting Company) on and with effect from 1<sup>st</sup> April, 2019.

We are given to understand that the proposed Scheme of Arrangement has been decided in view of the following reasons:

- (i) The business of real-estate development on mill land can be undertaken more conveniently with greater focus and attention through a separate company. Independent setup will ensure required depth and focus and adoption of strategies necessary for the growth of the respective Company. The structure provides independence to the management in decisions regarding the use of their respective cash flows for dividends, capital expenditure or other reinvestment in their respective businesses
- (ii) The transfer of Demerged Undertaking to the Resulting Company would assist in induction of joint venture partner/strategic investor/financial investor in the Resulting Company and pursue inorganic and organic growth opportunities in such businesses;
- (iii) The restructuring under this Scheme would enable focused business approach for maximization of benefits to all stakeholders and capitalize on the opportunity for the growth.
- (iv) The demerger will also provide scope for independent collaboration and expansion without committing the existing organization in its entirety.

*Manish*





## 5. Valuation Methodology

We have for the purpose of this valuation arrived at fair value of the Demerged Undertaking of SDPL for the purposes of issue of redeemable preference shares of face value of Rs.10/- each by SRPL to the equity shareholders of SDPL, the entitlement/exchange ratio of which preference shares by different classes of equity shares held by equity shareholders of SDPL has been arrived at based on the said equity shareholders respective beneficial/economic ownership entitlement in SDPL.

Please find below our approach and methodology for valuation of the Demerged Undertaking of the Demerged Company for the purposes of issue of redeemable preference shares of face value of Rs.10/- each by SRPL to the equity shareholders of SDPL and the entitlement/exchange ratio of the said preference shares by holders of different classes of equity shares in SDPL based on the said equity shareholders respective beneficial/economic ownership entitlement in SDPL. We have followed the methodology for the purpose of share valuation and determination of exchange ratio as is considered appropriate by us to the best of our knowledge and belief.

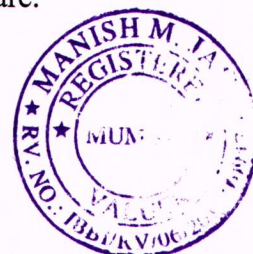
### 5.1 Approach to valuation of Business Undertaking.

There are several methods available for arriving at a fair value of the Demerged Undertaking of SDPL , such as

- (i) Net Asset Value method (NAV)
- (ii) Profit earning capacity method (PECV)
- (iii) Average of NAV & PECV
- (iv) Market price method.

While several methods can be adopted for the purpose of valuation, in the ultimate analysis valuation will have to be done taking into account all the relevant factors. There are several factors e.g. asset base of the company, future prospects of the company as well as the Industry, consistency of earnings, etc. which are not evident from the financial details in the balance sheet but which nevertheless strongly influence the worth of share.

*Manish*





## 5.2 Methods of share valuation.

### (i) The net asset value (NAV) method:

In the net asset value method, net asset value is computed based on the latest audited/un-audited (Provisional) balance sheet. The starting point in this method of valuation is the total assets. The values of intangible assets are excluded. Any reserves that have not been created out of genuine profits are not taken into account. The loan funds are deducted. Contingent liabilities, to the extent that they impair the net worth of the company, are also deducted. The resultant figure represents the net worth of the company on the given date. This method of valuation though inconsistent with the going concern concept, is definitely indicative of the minimum net worth of the business.

The NAV can be calculated in two different ways:

#### (a) At the book value :

While valuing the shares under this method, the book value of various assets and liabilities as on the valuation date are considered for working of the NAV. Generally, this methodology is adopted when the concerned entity is a going concern and other methods for valuation are also dealt with and considered in determining the fair value of the business/entity..

#### (b) At Intrinsic Value :

At times when the transaction is in the nature of transfer of business or acquisition of significant equity stake in a company from a strategic long-term perspective, the intrinsic value of the assets is considered for arriving at the NAV. The intrinsic values of the assets are worked out by considering the underlying inherent value of the assets of the concerned business/entity. Likewise exact liabilities are ascertained for determining the intrinsic value of the company/shares.

Some of the common adjustments required to be taken into account while determining the NAV of the shares are contingent liability, underlying appreciation/depreciation in the value of investments, surplus assets, etc. Certain intangible assets may have been acquired at a price which needs to be considered while arriving at the NAV. Any impairment or impact in the value of assets is also considered while determining the NAV.

*Manish*





(ii) **The profit earning capacity value (PECV) method**

This method of valuation presumes the continuity of business, and uses the past and projected earnings to arrive at an estimate of future maintainable profits. For the purpose of the Profit Earning Capacity Value (PECV) of the business/entity, the commonly accepted approach is to capitalize average earnings, past and projected at an appropriate rate of capitalization, to arrive at a fair value business/entity. In the calculation of PECV, provision for taxation at the current statutory rate is normally considered because "the crux of estimating the PECV lies in the assessment of the future maintainable profits of the business". It needs to be emphasized that the valuation is for the future and that it is the future maintainable stream of earnings that is of greater significance in the process of valuation.

(iii) **Valuation based on average of NAV and PECV per share**

The value of the equity share of a company may be determined on the basis of the average of the values determined by the NAV and PECV method.

(iv) **Market Price Method :**

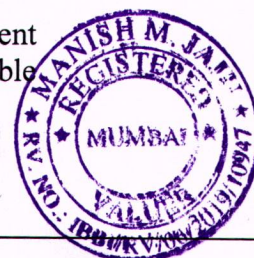
Under this method the business is valued based on the price quoted at recognized stock exchange/s.

The valuation under this method is not feasible because the shares are not listed on any recognized stock exchange in India or abroad.

**5.3 Valuation Process and Approach :**

- It is important to stress that the process of valuation cannot possibly be reduced to uniform and inflexible exercise. In the ultimate analysis, valuation will have to be tampered by the exercise of judicious discretion and judgement taking into account all the relevant factors. After all, the object of valuation process is to make a reasonable judgement of the fair value of the equity shares of the company.
- The essence of the PECV method of valuation lies in assessment of future maintainable earnings of the business. A reasonable

*Manish*





estimate of average maintainable profits is required to be made by taking past earnings and the future plans of the company as a base. As stated earlier the major business activity is that of real estate/property development. The said real estate business activities essentially involve undertaking the development and construction of commercial/residential projects after a careful consideration of several factors namely the industry/business prospects, economic and commercial feasibility of the projects, the gestation period, the relevant financial parameters etc. Indeed, the very nature of the real estate industry characterized by high volatility and uncertainty renders the determination of reliable estimate of the future maintainable profits on the basis of past performance or in any other manner highly impossible, which is the crux of this method of share valuation.

As detailed in the preceding paragraphs SDPL have undertaken and is in the process of implementing certain real estate projects the status in relation to which as at 31<sup>st</sup> March, 2019 has been detailed in the earlier paragraphs. We have been given to understand that considering the nature of the real estate industry, a reliable plan for future real estate projects cannot possibly be made as a base for ascertaining the future performance of the company on a year to year basis. Besides, various factors such as the varied and uncertain gestation period for completion of real estate projects, high volatility in real estate industry, accounting practice adopted by the companies, etc., renders determination of a reasonable estimate of future maintainable profits highly impracticable. Accordingly, in our view, the PECV method can be of no avail and cannot be applied in determining the fair value of the Demerged Undertaking.

- The other commonly used method of valuation of share is NET ASSET VALUE (NAV). We believe that NAV method of valuation would be appropriate in this case based on a careful consideration of the following factors:
  - a) Since the Scheme contemplates transfer/Demerger of the Demerged Undertaking being the business of real estate development on mill land as more particularly detailed in this report as from the Appointed Date 1<sup>st</sup> April, 2019, the valuation of the said Demerged Undertaking based on the NAV method of valuation would be appropriate. Further, considering the intrinsic value of the Demerged Undertaking of SDPL is derived from the underlying Value of real estate stocks /Property Development in Progress and other assets





appertaining to the said Demerged Undertaking of SDPL, NAV method would be the most appropriate valuation method.

- b) In view of the unsuitability of the PECV method, the NAV method at book value would be an appropriate indicator of the value of the company

#### 5.4 **Basis of Valuation :**

The detailed mode of computation of valuation based on the NAV method is explained herein below .The effective date of Scheme of Demerger has been proposed as 1<sup>st</sup> April, 2019. For the purpose of determining the NAV of the Demerged Undertaking of SDPL , we have considered the audited balance sheet as at 31<sup>st</sup> March, 2019 of SDPL and the relevant details of assets and liabilities appertaining to and/or forming part of the Demerged Undertaking of SDPL made available to us as at 31<sup>st</sup> March, 2019.

##### i) **NAV of the Project / Undertaking to be Demerged from SDPL.**

- Fixed Assets appertaining to the Demerged Undertaking have been valued at cost.
- The property development work in progress of real estate project Sese on the mill land situate at Mumbai relating to the Demerged Undertaking have been valued adopting the following valuation basis:

The net realizable value of the above Real Estate project (i.e. balance gross realizable value (i.e. gross realizable value less amount recognized as sales till 31<sup>st</sup> March, 2019) less the residual construction cost incurred/to be incurred in relation to the relevant project after 1<sup>st</sup> April, 2019 has been considered as provided to us by SDPL and relied upon by us for the purpose of this valuation. The balance gross realizable value represents the balance gross amount of the sale proceeds (net of sales already recognized in the accounts prior to 31<sup>st</sup> March, 2019, if any) projected to be realized upon sale, following completion of the said project based on the estimated market rates. The net realizable value thus in effect represents the realizable value (over the project implementation period) of the work in progress as at 31<sup>st</sup> March, 2019. This amount representing the net realizable

*Manish*





value to the extent received as advance monies till 31<sup>st</sup> March, 2019 has been considered accordingly and to the extent projected to be receivable over the project implementation period after 1<sup>st</sup> April, 2019 has been discounted @ 12% to arrive at its net present value as at 31<sup>st</sup> March, 2019. The NPV's as at 31<sup>st</sup> March, 2019 of the said Net Realizable Value in relation to the above Real Estate project in progress thus represents the intrinsic value of the work in progress considered for the purpose of NAV based valuation method.

- All other assets consisting of Debtors, Cash and Bank Balances, Loans and Advances and Advance for Projects appertaining to the Demerged Undertaking have been considered at book values as per the details made available to us based on audited accounts as at 31<sup>st</sup> March, 2019.
- Secured loans, Unsecured loans, convertible debentures , Current and other liabilities/provisions pertaining to the Demerged Undertaking have been considered at book values as per the details made available to us based on audited accounts as at 31<sup>st</sup> March, 2019.
- The Preference share capital has been considered at the amount stated in the unaudited accounts as at 31<sup>st</sup> March, 2019.

#### 6. Exchange ratio recommendation

Based on the above, in our opinion the **NAV of the Project / Undertaking to be Demerged from SDPL** as per the methodology detailed in para 5.4 above works out to Rs.85.93 lacs as per Annexure A attached herewith. As mentioned earlier, since the management of the companies are proposing to issue Redeemable Preference shares of Face Value of Rs 10/-each fully paid up by the Resulting Company to the Equity shareholders of the Demerged Company, a total of 8,59,341 redeemable preference shares of the face value of Rs.10/- each fully paid up is recommended to be issued by SRPL to the equity shareholders of SDPL.

Since, the equity capital of SDPL consists of different classes of equity shares having differential rights as detailed in the earlier paragraphs, the entitlement/exchange ratio of the said preference shares by holders of different classes of equity shares in SDPL based

*Manish*



on the said equity shareholders respective beneficial/economic ownership entitlement in SDPL is recommended here under:

**Holders of Class A Equity Shares**

17 (Seventeen) Redeemable Preference Shares of Face Value of Rs. 10 each fully paid up of SRPL for every 1,30,000 ( One Lac Thirty Thousand) Class A Equity Shares of Face Value of Rs 10/- each held in SDPL as per Table-1 herein below.

**Holders of Class B Equity Shares**

17 (Seventeen) Redeemable Preference Shares of Face Value of Rs. 10 each fully paid up of SRPL for every 1,30,000 (One Lac Thirty Thousand) Class B Equity Shares of Face Value of Rs 10/- each held in SDPL as per Table-1 herein below..

**Holders of Class C Equity Shares**

27 (Twenty Seven) Redeemable Preference Share of Face Value of Rs. 10 each fully paid up of SRPL for every 38 (Thirty Eight) Class C Equity Shares of Face Value of Rs. 10/- each held in SDPL as per Table-1 herein below

Table - 1

Recommended entitlement of preference shares of face value of Rs. 10/- fully paid-up in SRPL to holders of different classes of equity shares in SDPL based on the said equity shareholders respective beneficial/economic ownership entitlement in SDPL:-

S. No	Equity Share Holders of SDPL	Allotment of Redeemable Preference Shares in SRPL
1.	5,21,90,691 "Class A" Equity Shares of Rs 10/- Each. <b>Note:</b> - Each Class A Equity Shareholders has 1 (one) vote for each share.	Aggregate allotment of 6,827 Redeemable Preference Share of Rs 10/- Each.  i.e Ratio of 17(Seventeen) Redeemable Preference Share of Face Value of Rs. 10 each fully paid up of SRPL for every 1,30,000 (One Lac Thirty Thousand) Class A Equity Shares held in SDPL



2.	<p>5,600 "Class B" Equity Shares of Rs 10/- Each.</p> <p><b>Note:</b> - Each Class B Equity Shareholders has 125 (One Twenty Five) vote for each share.</p>	<p>Aggregate allotment of 1 Redeemable Preference Share of Rs 10/- Each.</p> <p>i.e Ratio of 17 (Seventeen) Redeemable Preference Share of Face Value of Rs. 10 each fully paid up of SRPL for every 1,30,000 (One Lac Thirty Thousand) Class B Equity Shares held in SDPL.</p>
3.	<p>12,00,000 "Class C" Equity Shares of Rs 10/- Each.</p> <p><b>Note :-</b> Each Class C Equity Shareholders has 125 (One Twenty Five) vote for each share and further entitled to beneficial/economic ownership with respect to Dividend/capitalization of Profit/ surplus assets equivalent to 125 times the the entitlement of Class A and Class B Shares</p>	<p>Aggregate allotment of 8,52,513 Redeemable Preference Share of Rs 10/- Each</p> <p>i.e Ratio of 27 (Twenty Seven) Redeemable Preference Share of Face Value of Rs. 10 each fully paid up of SRPL for every 38 (Thirty Eight) Class C Equity Shares held in SDPL.</p>

*Manish*

**Manish M Jaju**  
**Registered Valuer**  
**Registration No: IBBI/RV/06/2019/10947**  
**Place: Mumbai**  
**Date : 10<sup>th</sup> June, 2019**



**"Annexure -1"**

**Net Asset Value of Demerged Undertaking**

**SESEN VALUATION**

Particulars	Method of Valuation	Amount Rs	Amount Rs
Value of the Project "Sesan" Work in Process	Refer Para 5.4 of Valuation of Report.		10,502,412,088
ADD : OTHER ASSETS BEING TRANSFERRED :			
NON CURRENT ASSETS	Book Value	41,325,243	
CASH & BANK BALANCES	Book Value	1,990,714	
OTHER CURRENT ASSETS - OTHER RECEIVABLES	Book Value	108,930,000	
ADVANCES RECOVERABLE IN CASH OR KIND	Book Value	315,854,535	468,100,492
TOTAL ASSETS BEING TRANSFERRED			10,970,512,580
LESS: LOAN LIABILITIES	Book Value	8,307,257,501	
CURRENT LIABILITIES	Book Value	2,654,661,753	10,961,919,254
Net Assets Value of Demerged Undertaking			8,593,326



**REPORT OF THE BOARD OF DIRECTORS OF SATELLITE DEVELOPERS PRIVATE LIMITED AT ITS MEETING HELD ON MONDAY THE 10<sup>TH</sup> DAY OF FEBRUARY, 2020 AT S-14, 7<sup>TH</sup> FLOOR, SOLITAIRE CORPORATE PARK, ANDHERI GHATKOPAR LINK ROAD, ANDHERI (EAST), MUMBAI-400 093, EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER SHAREHOLDERS AND CREDITORS ETC.**

**1. BACKGROUND**

- 1.1 The proposed Scheme of Arrangement between Satellite Developers Private Limited, the Demerged Company and Sesen Realty Private Limited, the Resulting Company and their respective shareholders (“Scheme”) was approved by the Board of Directors of the Demerged Company vide resolution dated 20th day of June, 2019. The Demerged Company is engaged in separate businesses namely (a) Real estate development on mill land (b) Real estate development on slum land and (c) Real estate development on land other than mill/slum land. The Scheme provides for demerger and transfer of the business of Real estate development on mill land (Demerged Undertaking) of Satellite Developers Private Limited (‘the Demerged Company’) to its wholly owned subsidiary Sesen Realty Private Limited (‘the Resulting Company’) and various other matters consequential to the demerger or otherwise integrally connected therewith. The remaining businesses of the Demerged Company namely the business of (a) Real estate development on slum land and (b) Real estate development on land other than mill/slum land shall continue to be undertaken by the Demerged Company. The Resulting Company has been incorporated with the main objects for undertaking the business of development of property/real estate and other construction activities and post approval of the Scheme will stand possessed of the Demerged Undertaking of the Demerged Company. The Scheme shall be operative with effect from the Appointed Date 01/04/2019.

Provisions of Section 232(2)(c) of the Act requires the directors to adopt a report explaining the effect of arrangement on the equity shareholders, key managerial personnel, promoters and promoter shareholders of the Company laying out in particular the share exchange ratio and the same is required to be circulated to the equity shareholders.

- 1.2 The report of the Board of Directors is accordingly made in pursuance to the requirements of Section 232(2)(c) of the Act.
- 1.3 The following documents were placed before the Board:
- 1.3.1 Draft Scheme duly initialed by the Chairman for the purpose of identification;
- 1.3.2 Valuation Report dated 10th June, 2019 of Manish M Jaju, Registered Valuer.

**2. EFFECT OF THE SCHEME OF ARRANGEMENT ON SHAREHOLDERS**

- 2.1 Both the Demerged Company and Resulting Company belong to the same group. The Resulting Company is a wholly owned subsidiary of the Demerged Company. There is no non- promoter equity shareholding in the Demerged Company.

Under the Scheme, an arrangement is sought to be entered into between the Demerged Company and the Resulting Company and their respective shareholders where under the Demerged Undertaking of the Demerged Company shall stand transferred to and vested in the Resulting Company. The shareholdings of the equity shareholders in the Demerged Company pre and post approval of the Scheme of Arrangement will remain unchanged. The equity share capital of the Resulting Company following approval of the Scheme will remain unchanged and the Resulting Company would continue to be

a wholly owned subsidiary of the Demerged Company. Further, in consideration of transfer of the Demerged Undertaking of the Demerged Company to the Resulting Company, the equity shareholders of the Demerged Company will be issued Redeemable Preference Shares (RPS) in the Resulting Company in the ratio as mentioned in the Scheme post the approval of the Scheme based on their the respective entitlement in terms of issue of the said different classes of equity shares held in the Demerged Company. Accordingly, the interests of the equity shareholders of the Demerged Company, pre and post approval of the Scheme will not be affected. As regards the holders of redeemable preference shares in the Demerged Company for a nominal aggregate amount of Rs. 1640/-, their interests will not be affected as they would continue to hold the said preference shares on the same terms and conditions as presently attached thereto post the approval of the Scheme and neither any sacrifice nor any waiver is, at all called for from them nor their rights sought to be modified in any manner.

### **3. EFFECT OF THE SCHEME OF ARRANGEMENT ON THE CREDITORS**

- 3.1 The rights and interests of the secured creditors including holders of secured Non Convertible Debentures (NCD) or unsecured creditors including holders of Compulsorily Convertible Debentures (CCD) and unsecured Optionally Fully Convertible Debentures (OFCD) of the Demerged Company will not be affected by the Scheme as neither any sacrifice nor any waiver is, at all called for from them nor their rights sought to be modified in any manner. As on date, the Demerged Company has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposits holders does not arise.

### **4. EFFECT OF THE SCHEME OF ARRANGEMENT ON THE EMPLOYEES**

- 4.1 The rights and interests of the employees in relation to the business activities and operations of the Demerged Undertaking of the Demerged Company will not be affected by the Scheme. Under the Scheme all the employees engaged in or in relation to the business activities and operations of the Demerged Undertaking who are in service of the Demerged Company on the Effective Date, shall become the employees of the Resulting Company on such date without any break or interruption in service and on terms and conditions as to remuneration and otherwise, not less favorable than those subsisting as on the Effective Date. The rights and interests of the employees in relation to its remaining businesses of the Demerged Company are in no way affected by the Scheme. The employees engaged by the Demerged Company in relation to its remaining businesses continue to be employed by the Demerged Company.

### **5. EFFECT OF THE SCHEME OF ARRANGEMENT ON THE KEY MANAGERIAL PERSONNEL AND/OR THE DIRECTORS**

- 5.1 There is no effect of the Scheme on the key managerial personnel and/or the directors of the Demerged Company.
- 5.2 Further, none of the directors, the key managerial personnel (as defined under the act and the rules framed there under) of the Demerged Company and their respective relatives (as defined under the act and the rules framed there under) have any interests in the Scheme except to the extent of equity shares held by them in Demerged Company and/or the Resulting Company and/or to the extent that the said director(s) are common director(s) of the Demerged Company and/or Resulting Company and/or to the extent that the said director(s), key managerial personnel and their respective relatives are the directors, members of the companies that hold shares in the Demerged Company and/or the Resulting Company. Save as aforesaid, none of the said directors or the key

managerial personnel or their respective relatives have any material interest in the Scheme.

## **6. VALUATION**

6.1 Mr. Manish M Jaju, Registered Valuer has vide his Report dated 10<sup>th</sup> June, 2019 undertaken a valuation of the Demerged Undertaking of the Demerged Company based on the intrinsic value of its net assets at Rs. 85.94 lacs. Since the Scheme contemplates issue of Redeemable Preference Shares (RPS) to the holders of Class A equity shares, Class B equity shares and Class C equity shares of the Demerged Company in consideration of the demerger and transfer of the Demerged Undertaking of the Demerged Company to the Resulting Company, Redeemable Preference Shares (RPS) for the aforesaid net asset value of the Demerged Undertaking will be issued by the Resulting Company to the holders of Class A equity shares, Class B equity shares and Class C equity shares held by them in the Demerged Company in the exchange ratio as set forth in the Scheme based on their the respective entitlement in terms of issue of the said different classes of equity shares in the Demerged Company. The said share exchange ratio and the value thereof has been determined as at 31/03/2019 (Appointed Date being 01/04/2019 under the Scheme).

6.2 No special valuation difficulties were reported.

**FOR SATELLITE DEVELOPERS PRIVATE LIMITED**

**-sd-**

**SARJAN SHAH - DIRECTOR**  
**DIN:02251956**

**REPORT OF THE BOARD OF DIRECTORS OF SESEN REALTY PRIVATE LIMITED AT ITS MEETING HELD ON MONDAY THE 10<sup>TH</sup> DAY OF FEBRUARY, 2020 AT S-14, 7<sup>TH</sup> FLOOR, SOLITAIRE CORPORATE PARK, ANDHERI GHATKOPAR LINK ROAD, ANDHERI (EAST), MUMBAI-400 093, EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER SHAREHOLDERS AND CREDITORS ETC.**

**1. BACKGROUND**

- 1.1 The proposed Scheme of Arrangement between Satellite Developers Private Limited, the Demerged Company and Sesen Realty Private Limited, the Resulting Company and their respective shareholders ("Scheme") was approved by the Board of Directors of the Demerged Company vide resolution dated 20th day of June, 2019. The Demerged Company is engaged in separate businesses namely (a) Real estate development on mill land (b) Real estate development on slum land and (c) Real estate development on land other than mill/slum land. The Scheme provides for demerger and transfer of the business of Real estate development on mill land (Demerged Undertaking) of Satellite Developers Private Limited ('the Demerged Company') to its wholly owned subsidiary Sesen Realty Private Limited ('the Resulting Company') and various other matters consequential to the demerger or otherwise integrally connected therewith. The remaining businesses of the Demerged Company namely the business of (a) Real estate development on slum land and (b) Real estate development on land other than mill/slum land shall continue to be undertaken by the Demerged Company. The Resulting Company has been incorporated with the main objects for undertaking the business of development of property/real estate and other construction activities and post approval of the Scheme will stand possessed of the Demerged Undertaking of the Demerged Company. The Scheme shall be operative with effect from the Appointed Date 01/04/2019.

Provisions of Section 232(2)(c) of the Act requires the directors to adopt a report explaining the effect of arrangement on the equity shareholders, key managerial personnel, promoters and promoter shareholders of the Company laying out in particular the share exchange ratio and the same is required to be circulated to the equity shareholders.

- 1.2 The report of the Board of Directors is accordingly made in pursuance to the requirements of Section 232(2)(c) of the Act.
- 1.3 The following documents were placed before the Board:
- 1.3.1 Draft Scheme duly initialed by the Chairman for the purpose of identification;
- 1.3.2 Valuation Report dated 10th June, 2019 of Manish M Jaju, Registered Valuer.

**2. EFFECT OF THE SCHEME OF ARRANGEMENT ON SHAREHOLDERS**

- 2.1 Both the Demerged Company and Resulting Company belong to the same group. The Resulting Company is a wholly owned subsidiary of the Demerged Company. There is no non-promoter equity shareholding in the Demerged Company.

Under the Scheme, an arrangement is sought to be entered into between the Demerged Company and the Resulting Company and their respective shareholders where under the Demerged Undertaking of the Demerged Company shall stand transferred to and vested in the Resulting Company. The equity share capital of the Resulting Company following approval of the Scheme will remain unchanged and the Resulting Company would continue to be a wholly owned subsidiary of the Demerged Company. Further, in consideration of transfer of the Demerged Undertaking of the Demerged Company to the



Resulting Company, the equity shareholders of the Demerged Company will be issued Redeemable Preference Shares (RPS) in the Resulting Company in the ratio as mentioned in the Scheme post the approval of the Scheme based on their the respective entitlement in terms of issue of the said different classes of equity shares held in the Demerged Company.

### **3. EFFECT OF THE SCHEME OF ARRANGEMENT ON THE CREDITORS**

- 3.1 As on date, the Resulting Company has no outstanding towards any secured/unsecured creditors, public deposits and debentures therefore, the effect of the Scheme on any such categories of creditors holders does not arise.

### **4. EFFECT OF THE SCHEME OF ARRANGEMENT ON THE EMPLOYEES**

- 4.1 The rights and interests of the employees of the Resulting Company are in no way affected by the Scheme. The employees of the Resulting Company shall continue to be employed by the Resulting Company.

### **5. EFFECT OF THE SCHEME OF ARRANGEMENT ON THE KEY MANAGERIAL PERSONNEL AND/OR THE DIRECTORS**

- 5.1 There is no effect of the Scheme on the key managerial personnel and/or the directors of the Demerged Company.
- 5.2 Further, none of the directors, the key managerial personnel (as defined under the act and the rules framed there under) of the Resulting Company and their respective relatives (as defined under the act and the rules framed there under) have any interests in the Scheme except to the extent of equity shares held by them in Demerged Company and/or the Resulting Company and/or to the extent that the said director(s) are common director(s) of the Demerged Company and/or Resulting Company and/or to the extent that the said director(s), key managerial personnel and their respective relatives are the directors, members of the companies that hold shares in the Demerged Company and/or the Resulting Company. Save as aforesaid, none of the said directors or the key managerial personnel or their respective relatives have any material interest in the Scheme.

### **6. VALUATION**

- 6.1 Mr. Manish M Jaju, Registered Valuer has vide his Report dated 10<sup>th</sup> June, 2019 undertaken a valuation of the Demerged Undertaking of the Demerged Company based on the intrinsic value of its net assets at Rs. 85.94 lacs. Since the Scheme contemplates issue of Redeemable Preference Shares (RPS) to the holders of Class A equity shares, Class B equity shares and Class C equity shares of the Demerged Company in consideration of the demerger and transfer of the Demerged Undertaking of the Demerged Company to the Resulting Company, Redeemable Preference Shares (RPS) for the aforesaid net asset value of the Demerged Undertaking will be issued by the Resulting Company to the holders of Class A equity shares, Class B equity shares and Class C equity shares held by them in the Demerged Company in the exchange ratio as set forth in the Scheme based on their the respective entitlement in terms of issue of the said different classes of equity shares in the Demerged Company. The said share exchange ratio and the value thereof has been determined as at 31/03/2019 (Appointed Date being 01/04/2019 under the Scheme).
- 6.2 No special valuation difficulties were reported.

**FOR SESEN REALTY PRIVATE LIMITED**

**-sd-**

**SARJAN SHAH - DIRECTOR**  
**DIN:02251956**

## Annexure - E

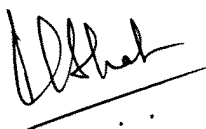
**SATELLITE DEVELOPERS PRIVATE LIMITED**  
**BALANCE SHEET AS AT 30TH SEPTEMBER, 2019 (UNAUDITED)**

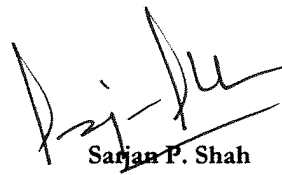
Particulars	Note No.	As at 30/09/2019 ₹	As at 31/03/2019 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2	533,964,550	533,964,550
Reserves and surplus	3	1,378,129,395	1,370,310,420
		<b>1,912,093,945</b>	<b>1,904,274,970</b>
<b>Non-current liabilities</b>			
Long-term borrowings	4	10,775,186,147	9,455,099,567
Deferred tax liabilities (net)	5	7,906,530	7,906,530
Other long-term liabilities	6	3,732,000	3,682,000
		<b>10,786,824,677</b>	<b>9,466,688,097</b>
<b>Current liabilities</b>			
Short-term borrowings	7	681,138,050	885,343,050
Trade payables	8		
Outstanding dues of micro and small enterprises		6,531,540	14,458,492
Outstanding dues of creditors other than micro and small enterprises		114,100,286	211,566,933
Other current liabilities	9	6,681,956,895	6,532,383,802
Short-term provisions	10	28,177,696	26,959,050
		<b>7,511,904,467</b>	<b>7,670,711,327</b>
<b>TOTAL</b>		<b>20,210,823,089</b>	<b>19,041,674,395</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11		
Tangible assets		272,861,194	284,783,221
Intangible assets		2,780,126	3,248,692
Non-current investments	12	774,190,223	774,190,223
Long-term loans and advances	13	1,069,820,675	1,046,052,624
		<b>2,119,652,219</b>	<b>2,108,274,760</b>
<b>Current assets</b>			
Current investments	14	18,035,157	18,035,157
Inventories	15	12,257,000,025	11,363,755,933
Trade receivables	16	540,342,580	416,750,079
Cash and bank balances	17	106,232,780	54,396,886
Short-term loans and advances	18	4,766,767,116	4,704,430,273
Other current assets	19	402,793,214	376,031,306
		<b>18,091,170,871</b>	<b>16,933,399,634</b>
<b>TOTAL</b>		<b>20,210,823,089</b>	<b>19,041,674,395</b>
Significant accounting policies	1		

The accompanying notes form an integral part of Financial Statements

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 18th October, 2019

  
**Kalpana P. Shah**  
Director  
DIN:00033504

  
**Sarjan P. Shah**  
Director  
DIN:02251956


# SATELLITE DEVELOPERS PRIVATE LIMITED

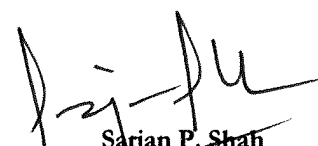
## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 30TH SEPTEMBER, 2019 (UNAUDITED)

Particulars	Note No.	For the period ended 30/09/2019 ₹	For the year ended 31/03/2019 ₹
<b>REVENUE</b>			
Revenue from operations	20	571,306,876	774,533,421
Other income	21	108,466,574	256,299,207
<b>Total Revenue</b>		<b>679,773,449</b>	<b>1,030,832,627</b>
<b>EXPENSES</b>			
Project expenses	22	1,393,098,795	2,223,320,860
Changes in inventories of premises and property development		(893,244,092)	(1,539,084,955)
Employee benefits expense	23	34,356,872	55,716,163
Finance costs	24	23,652,811	99,551,216
Depreciation and amortisation expenses	11	15,002,708	36,030,212
Other expenses	25	97,136,750	139,461,317
<b>Total Expenses</b>		<b>670,003,844</b>	<b>1,014,994,814</b>
<b>Profit before tax</b>		<b>9,769,605</b>	<b>15,837,813</b>
Tax expense:			
Current tax		2,442,000	3,778,000
Deferred tax		-	994,884
Taxation adjustment of earlier years		(491,370)	(1,763,220)
<b>Profit for the period</b>		<b>7,818,975</b>	<b>12,828,149</b>
<b>Earnings per equity share:</b>			
Basic and diluted	26	0.15	0.24
Significant accounting policies	1		

The accompanying notes form an integral part of Financial Statements

For and on behalf of the Board of Directors

  
**Kalpana P. Shah**  
 Director  
 DIN:00033504

  
**Sarjan P. Shah**  
 Director  
 DIN:02251956

Place: Mumbai  
Date: 18th October, 2019

# SATELLITE DEVELOPERS PRIVATE LIMITED


## CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER, 2019 (UNAUDITED)


Particulars	For the period ended 30/09/2019 ₹	For the year ended 31/03/2019 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before tax	9,769,605	15,837,813
Adjustment for:		
Depreciation and amortization expenses	15,002,708	36,030,212
Amount written off/written back - net	-	1,501,634
Share of loss/(profit) from LLP	-	(3,918,209)
Finance costs	23,652,811	99,551,216
Interest income	(108,431,562)	(253,381,337)
<b>Operating Profit before working capital changes</b>	<b>(60,006,438)</b>	<b>(104,378,670)</b>
Adjustment for:		
Trade and other receivables	(150,354,409)	(311,139,274)
Inventories	(893,244,092)	(1,348,561,095)
Loans and advances	(3,676,212)	87,674,603
Trade payables and other liabilities	(37,707,863)	(151,009,735)
	<b>(1,084,982,575)</b>	<b>(1,723,035,501)</b>
<b>Cash Generated from Operations</b>	<b>(1,144,989,012)</b>	<b>(1,827,414,172)</b>
Direct taxes paid	(35,243,289)	(35,243,289)
<b>Net Cash Flow from Operating Activities : (A)</b>	<b>(1,180,232,301)</b>	<b>(1,862,657,461)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Acquisition of property, plant and equipment	(2,612,115)	30,425,516
Investments made/Sale of investments, net	-	(2,107,996)
Interest income	108,431,562	253,381,337
<b>Net Cash Flow from Investing Activities : (B)</b>	<b>105,819,447</b>	<b>281,698,857</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Finance costs	(23,652,811)	(99,551,216)
Unsecured loans given/recovered, net	(46,694,023)	(269,117,934)
Proceeds/repayment of Secured loans, net	1,414,363,740	1,861,500,996
Proceeds/repayment of Unsecured loans, net	(217,768,158)	75,730,339
<b>Net Cash Flow from Financing Activities : (C)</b>	<b>1,126,248,748</b>	<b>1,568,562,185</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>51,835,894</b>	<b>(12,396,419)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>54,396,886</b>	<b>66,793,305</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>106,232,780</b>	<b>54,396,886</b>

The accompanying notes form an integral part of Financial Statements

For and on behalf of Board of Directors

Place: Mumbai  
Date: 18th October, 2019

  
**Kalpana P. Shah**  
Director  
DIN:00033504

  
**Sarjan P. Shah**  
Director  
DIN:02251956

# SATELLITE DEVELOPERS PRIVATE LIMITED

## Notes forming part of Financial Statements

Particulars	As at 30/09/2019 ₹	As at 31/03/2019 ₹
<b>2. SHARE CAPITAL</b>		
<b>Authorized</b>		
5,98,50,000 "Class A" Equity Shares of ₹10 each	598,500,000	598,500,000
1,00,000 "Class B" Equity Shares of ₹10 each	1,000,000	1,000,000
20,00,000 "Class C" Equity Shares of ₹10 each	20,000,000	20,000,000
50,000 10% Redeemable Non Cumulative Preference Shares of ₹10 each	500,000	500,000
	<b>620,000,000</b>	<b>620,000,000</b>
<b>Issued, Subscribed and Fully Paid up</b>		
5,21,90,691 (Previous year 5,21,90,691) "Class A" Equity Shares of ₹10 each	521,906,910	521,906,910
5,600 (Previous year 5,600) Class B Equity Shares of ₹10 each	56,000	56,000
12,00,000 (Previous year 12,00,000) Class C Equity Shares of ₹10 each	12,000,000	12,000,000
164 10% Redeemable Non Cumulative Preference Shares of ₹10 each	1,640	1,640
	<b>533,964,550</b>	<b>533,964,550</b>

### **Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital:**

Each Member being the holder of Class 'A' Equity Shares shall have one vote for each Share.

Each Member being the holder of Class 'B' Equity Shares shall have 125 votes for each Share.

Each Member being the holder of Class 'C' Equity Shares :

- i) shall have 125 votes for each Share.
- ii) shall have right/entitlement to receive dividend equivalent to 125 times of the amount of dividend entitlement of Class "A" and Class "B" Equity Shareholders.
- iii) shall have right/entitlement to receive any shares or debentures of the company upon capitalisation of profits equivalent to 125 times the number of shares or debentures entitlement of Class "A" and Class "B" Equity Shareholders.
- iv) shall have right/entitlement to share in surplus assets of the company upon winding up equivalent to 125 times the amount of share in the surplus assets entitlement of Class "A" and Class "B" Equity Shareholders.

# SATELLITE DEVELOPERS PRIVATE LIMITED

## Notes forming part of Financial Statements

### Details of shareholders holding more than 5% shares in the company

#### Class 'A' Equity Shares

Name of Share Holder	As at 30/09/2019		As at 31/03/2019	
	No of Shares held	% of Holding	No of Shares held	% of Holding
Kalpana P. Shah	21,925,000	42.01	21,925,000	42.01
Sarjan P. Shah	8,500,093	16.29	8,500,093	16.29
Sanjana P. Shah	2,737,728	5.25	2,737,728	5.25
Satellite Global Consultancy Pvt. Ltd.	4,456,665	8.54	4,456,665	8.54
J Tao Creations Pvt. Ltd.	6,363,655	12.19	6,363,655	12.19

#### Class 'B' Equity Shares

Name of Share Holder	As at 30/09/2019		As at 31/03/2019	
	No of Shares held	% of Holding	No of Shares held	% of Holding
Sarjan P. Shah	5,600	100.00	5,600	100.00

#### Class 'C' Equity Shares

Name of Share Holder	As at 30/09/2019		As at 31/03/2019	
	No of Shares held	% of Holding	No of Shares held	% of Holding
Kalpana P. Shah	720,000	60.00	720,000	60.00
Sarjan P. Shah	240,000	20.00	240,000	20.00
Sanjana P. Shah	240,000	20.00	240,000	20.00

#### 10% Non Cumulative Preference Shares

Name of Share Holder	As at 30/09/2019		As at 31/03/2019	
	No of Shares held	% of Holding	No of Shares held	% of Holding
Kalpana P. Shah	50	30.49	50	30.49

Preference shares are redeemable at the end of 20th year from the date of allotment; earliest being 01/01/2024

# SATELLITE DEVELOPERS PRIVATE LIMITED

## Notes forming part of Financial Statements

Particulars	As at 30/09/2019 ₹	As at 31/03/2019 ₹
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<b>3. RESERVES AND SURPLUS</b>		
Capital redemption reserve	57,014,090	57,014,090
Securities premium	860,035,827	860,035,827
General reserve	100,000,000	100,000,000
<b>Surplus in Statement of Profit and Loss</b>		
Opening Balance	353,260,503	340,432,354
Add: Profit for the year	7,818,975	12,828,149
Closing balance	<b>361,079,478</b>	<b>353,260,503</b>
	<b>1,378,129,395</b>	<b>1,370,310,420</b>

<b>4. LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
Non-interest optionally convertible debentures	450,000,000	450,000,000
<b>Term loans:</b>		
From banks	5,043,682	4,726,269
From other parties	10,957,963,530	9,543,917,203
	<b>10,963,007,212</b>	<b>9,548,643,472</b>
Less: Current maturities	2,436,514,024	2,355,800,021
	<b>8,526,493,188</b>	<b>7,192,843,451</b>
<b>Unsecured</b>		
Optionally fully convertible debentures	159,325,000	161,175,000
Compulsory convertible debentures	24,600,000	27,250,000
Deposits	332,555,000	335,175,000
Bodies corporate		
Loans and advances from related party	102,712,958	109,156,116
Loans and advances from others	1,179,500,000	1,179,500,000
	<b>1,798,692,958</b>	<b>1,812,256,116</b>
	<b>10,775,186,147</b>	<b>9,455,099,567</b>

### Repayment terms and security disclosure for outstanding long-term borrowings

<b>Non-interest optionally convertible debentures</b>			
Outstanding amount		Security and guarantee	Repayment terms
30/09/2019	31/03/2019		
450,000,000	450,000,000	Secured by second charge on specified duplexes in under construction project and first charge on a residential premises	45 units of ₹10,000,000 each. The Debentures shall be redeemed from the proceeds of the project receivables of an identified project or converted into such species of the securities of the company as mutually agreed between the debentures holder and the company within 7 years from the date of issue 08/05/2014
<b>Term loans from banks</b>			
Outstanding amount		Security and guarantee	Repayment terms
30/09/2019	31/03/2019		
608,486	1,189,251	Secured by hypothecation of vehicle	Repayable in 35 monthly installments commencing from May, 2017
3,074,755	3,537,018	Secured by hypothecation of vehicle	Repayable in 60 monthly installments commencing from September, 2017
1,360,441	-	Secured by hypothecation of vehicle	Repayable in 36 monthly installments commencing from June, 2019
<b>Term loans from other parties</b>			
317,500,000	537,500,000	Secured by mortgage of specified duplexes in under construction project, hypothecation of receivables and personal guarantee of a director	Repayable in 6 yearly installments commencing from September, 2016

# SATELLITE DEVELOPERS PRIVATE LIMITED

## Notes forming part of Financial Statements

Particulars		As at 30/09/2019 ₹	As at 31/03/2019 ₹
2,220,442,225	2,220,442,225	Secured by mortgage of specified duplexes in under construction project, hypothecation of receivables and personal guarantee of two directors	Repayable in 5 yearly installments commencing from September, 2017
1,552,724,059	1,552,724,059	Secured by extension of charge on specified duplexes in under construction project and two office premises, hypothecation of receivables and personal guarantee of two directors	Repayable in 16 quarterly installments commencing from January, 2020
1,360,000,000	2,040,000,000	Secured by extension of charge on specified duplexes in under construction project and two office premises, hypothecation of receivables and personal guarantee of two directors	Repayable in 3 yearly installments commencing from August, 2019
1,020,611,000	-	Secured by mortgage of specified duplexes in under construction project, hypothecation of receivables and personal guarantee of two directors	Repayable in 4 yearly installments commencing from November, 2020
144,977,000	-	Secured by mortgage of specified duplexes in under construction project, hypothecation of receivables and personal guarantee of two directors	Repayable in 4 yearly installments commencing from November, 2020
623,129,000	-	Secured by mortgage of specified duplexes in under construction project, hypothecation of receivables and personal guarantee of two directors	Repayable in 4 yearly installments commencing from November, 2020
692,525,948	-	Secured by extension of charge on specified duplex in under construction project and residential premises and personal guarantee of two directors	Repayable in 60 monthly installments commencing from July, 2019
50,394,376	88,004,351	Secured by charge on two office premises, hypothecation of receivables, charge on movable assets therein and personal guarantee of two directors.	Repayable in 60 monthly installments commencing from March, 2017
4,866,607	5,171,685	Secured by hypothecation of vehicle	Repayable in 36 monthly installments commencing from July, 2018
349,131,205	509,848,017	Secured by charge on property of other party, hypothecation of receivables, pledge of shares held in associate company, personal guarantee of two directors and two other parties.	Repayable in 60 monthly installments commencing from March 2017
185,754,288	189,726,398	Secured by mortgage of residential premises	Repayable in 120 monthly installments commencing from January, 2018
798,670	34,559,953	Mortgage of three land parcels (owned by company and subsidiary company) along with structures standing thereon, both present and future excluding such rehab tenements/flats to be given to slum dwellers.	Repayable in 24 monthly installments commencing from December, 2023
487,141,536	401,902,259	Charge on receivables, TDR/FSI generating of the aforesaid three projects.	
2,811,787	17,341,855	Mortgage of a commercial office owned by company. Second charge on residential premises owned by company. Pledge of shares of the subsidiary company. Personal guarantee of two directors.	
25,639,687	26,533,559	Secured by mortgage of residential premises	Repayable in 120 monthly installments commencing from March, 2019
18,549,928	19,196,628	Secured by mortgage of residential premises	Repayable in 120 monthly installments commencing from March, 2019
1,900,966,214	1,900,966,214	Secured by mortgage of plot of land	Repayable by March, 2020



# SATELLITE DEVELOPERS PRIVATE LIMITED

## Notes forming part of Financial Statements

Particulars	As at 30/09/2019 ₹	As at 31/03/2019 ₹
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### 5. DEFERRED TAX LIABILITIES (NET)

Deferred tax liabilities		
Depreciation	14,550,099	14,550,099
	<b>14,550,099</b>	<b>14,550,099</b>
Deferred tax assets		
Employee benefits	6,440,689	6,440,689
Others	202,880	202,880
	<b>6,643,569</b>	<b>6,643,569</b>
<b>Deferred tax liabilities/(assets)</b>	<b>7,906,530</b>	<b>7,906,530</b>

### 6. OTHER LONG-TERM LIABILITIES

Security deposits	3,732,000	3,682,000
	<b>3,732,000</b>	<b>3,682,000</b>

### 7. SHORT-TERM BORROWINGS

<b>Secured:</b>		
<b>Term loans:</b>		
From other party	-	209,000,000
<b>Unsecured:</b>		
Bodies Corporate	674,843,050	674,393,050
Loans and advances from related parties		
Bodies Corporate	6,295,000	1,950,000
	<b>681,138,050</b>	<b>676,343,050</b>
	<b>681,138,050</b>	<b>885,343,050</b>

#### Repayment terms and security disclosure for outstanding short-term borrowings

Term loan from other party		
Outstanding amount		Security and guarantee
30/09/2019	31/03/2019	
-	209,000,000	Secured by mortgage of residential premises owned others and personal guarantee of two directors
		Repayable in 1 installment in April, 2019

### 8. TRADE PAYABLES

Outstanding dues of micro and small enterprises	6,531,540	14,458,492
Outstanding dues of creditors other than micro and small enterprises	114,100,286	211,566,933
	<b>120,631,826</b>	<b>226,025,425</b>

### 9. OTHER CURRENT LIABILITIES

Advances from customers	1,775,853,412	1,772,754,456
Current maturities of long-term debt	2,436,514,024	2,355,800,021
Income received in advance	832,259	607,706
Statutory dues	5,849,901	9,553,881
Other payables	2,462,907,300	2,393,667,738
	<b>6,681,956,895</b>	<b>6,532,383,802</b>

### 10. SHORT-TERM PROVISIONS

Income tax	18,564,000	16,122,000
Employee benefits	9,613,696	10,837,050
	<b>28,177,696</b>	<b>26,959,050</b>

**SATELLITE DEVELOPERS PRIVATE LIMITED**  
Notes forming part of Financial Statements

**11. PROPERTY, PLANT AND EQUIPMENT**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 31/03/2019 ₹	Additions ₹	Deductions ₹	Up to 31/03/2019 ₹	For the year ₹	Deductions ₹	As at 30/09/2019 ₹	As at 31/03/2019 ₹
<b>Tangible assets</b>								
Land	2,105,180	-	-	-	-	-	2,105,180	2,105,180
Buildings	290,281,345	-	-	72,401,228	5,480,450	-	212,399,668	217,880,117
Plant and equipment	67,733,527	-	-	26,405,906	5,599,163	-	35,728,458	41,327,620
Windmill	104,085,540	-	-	98,884,766	-	-	5,200,774	5,200,774
Computers	4,937,599	101,758	-	4,008,721	271,086	-	759,550	928,878
Furniture and fixtures	16,608,155	36,000	-	13,749,108	306,074	-	2,588,973	2,859,047
Vehicles	67,504,559	1,997,799	-	54,277,690	2,582,278	-	12,642,390	13,226,869
Office equipments	6,105,441	476,558	-	4,850,705	295,092	-	1,436,202	1,254,736
	559,361,346	2,612,115	-	274,578,125	14,534,142	-	272,861,194	284,783,221
<b>Intangible assets</b>								
Computer Software	7,916,090	-	-	4,667,398	468,566	-	2,780,126	3,248,692
	567,277,436	2,612,115	-	279,245,523	15,002,708	-	275,641,320	288,031,913
<b>Previous year</b>	597,702,952	10,635,511	41,061,027	243,215,311	36,030,212	-	279,245,523	288,031,913

# SATELLITE DEVELOPERS PRIVATE LIMITED

## Notes forming part of Financial Statements

12. NON-CURRENT INVESTMENTS (AT CO Face Value		As at 30/09/2019		As at 31/03/2019	
₹		No of Shares	₹	No of Shares	₹
<b>I) INVESTMENTS IN EQUITY INSTRUMENTS:</b>					
<b>Trade Investments</b>					
<b>Subsidiaries (Unquoted)</b>					
Newone Constructions Pvt. Ltd.	10	3,000,000	30,000,000	3,000,000	30,000,000
Sesen Realty Pvt. Ltd.	10	100,000	1,000,000	100,000	1,000,000
			<b>31,000,000</b>		<b>31,000,000</b>
<b>Associates (Unquoted)</b>					
Satellite Gazebo Developers Pvt. Ltd.	10	2,495,000	24,950,000	2,495,000	24,950,000
Vanguard Realty Pvt. Ltd.	10	5,900,000	59,000,000	5,900,000	59,000,000
Akshay Sthapatya Pvt. Ltd.	10	2,000,000	23,500,000	2,000,000	23,500,000
			<b>107,450,000</b>		<b>107,450,000</b>
<b>Non-Trade Investments</b>					
<b>Subsidiaries (Unquoted)</b>					
Satellite Infraserivces Pvt. Ltd.	10	100,000	1,490,000	100,000	1,490,000
J Tao Creations Pvt. Ltd.	10	3,665,000	45,265,648	3,665,000	45,265,648
Satellite Aedifex Pvt. Ltd.	10	127,500	1,275,000	127,500	1,275,000
Satellite Builders Pvt. Ltd.	10	8,500	85,000	8,500	85,000
			<b>48,115,648</b>		<b>48,115,648</b>
<b>Other Investments (Quoted)</b>					
Dewan Housing Finance Ltd.	10	1,500	606,621	1,500	606,621
Tata Motors Ltd.	2	1,875	501,375	1,875	501,375
			<b>1,107,996</b>		<b>1,107,996</b>
<b>Other Investments (Unquoted)</b>					
C.K.P. Co-Op Bank Limited	25	12,420	310,500	12,420	310,500
Phoenix Appliances Pvt Ltd.	100	8,000	800,000	8,000	800,000
Purva Realities Pvt. Ltd.	100	1,000	1,000,000	1,000	1,000,000
Quality Foils (I) Pvt. Ltd.	100	34,550	20,705,000	34,550	20,705,000
Quality Stainless Pvt. Ltd.	10	440,000	29,200,000	440,000	29,200,000
			<b>52,015,500</b>		<b>52,015,500</b>
<b>II. INVESTMENTS IN PREFERENCE SHARES (Non-Trade)</b>					
<b>Redeemable Cumulative Preference Shares (Unquoted)</b>					
Nalwa Investments Ltd	100	340,000	35,513,000	340,000	35,513,000
Abhinandhan Investments Ltd	100	354,000	36,254,400	354,000	36,254,400
Jindal Equipment Leasing & Con. Ser. Ltd	100	74,000	7,604,700	74,000	7,604,700
			<b>79,372,100</b>		<b>79,372,100</b>
<b>III. INVESTMENT IN DEBENTURES OR BONDS</b>					
<b>Zero Coupon Compulsorily Convertible Debentures</b>					
Purva Realities Pvt. Ltd.	100000	4,500	450,000,000	4,500	450,000,000
<b>IV. INVESTMENT IN LIMITED LIABILITY PARTNERSHIP</b>					
Advanced Satellite Hotels LLP			511,497		511,497
Satellite Rockford Ventures LLP			18,711		18,711
Satellite Developers and Builders LLP			40,822		40,822
Satellite Ghanwat LLP			3,967,949		3,967,949
VDV Infrastructures LLP			100,000		100,000
VIPL Varasiddhi Infra Project LLP			400,000		400,000
			<b>5,038,979</b>		<b>5,038,979</b>
<b>V. INVESTMENT IN ASSOCIATION ENGAGED IN BUSINESS</b>					
S.J. Shah			90,000		90,000
			<b>774,190,223</b>		<b>774,190,223</b>
Aggregate amount of quoted investments			1,107,996		1,107,996
Aggregate market value of quoted investments			385,031		697,725
Aggregate amount of unquoted investments			773,082,227		773,082,227

# SATELLITE DEVELOPERS PRIVATE LIMITED

## Notes forming part of Financial Statements

Particulars	As at 30/09/2019 ₹	As at 31/03/2019 ₹
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### 13. LONG-TERM LOANS AND ADVANCES

Loans and advances to related parties	1,068,817,544	1,045,049,493
Security deposits	1,003,131	1,003,131
	<b>1,069,820,675</b>	<b>1,046,052,624</b>

### 14. CURRENT INVESTMENTS (AT COST)

	As at 30/09/2019		As at 31/03/2019	
	No of Units	₹	No of Units	₹
<b>In Mutual Funds (Unquoted)</b>				
Orios Venture Partners Fund II	175,000	17,500,000	175,000	17,500,000
ICICI Prudential Saving Fund - Growth	2,314	535,157	2,314	535,157
		<b>18,035,157</b>		<b>18,035,157</b>

### 15. INVENTORIES

as valued and certified by the management		
Property development		
a) Land and development rights - unamortized	4,289,338,813	4,353,955,334
b) Development cost and Borrowing costs (including amortized land and development rights)	7,811,858,157	6,811,917,739
	<b>12,101,196,970</b>	<b>11,165,873,073</b>
Stock of premises	155,803,054	197,882,860
	<b>12,257,000,025</b>	<b>11,363,755,933</b>

### 16. TRADE RECEIVABLES

Unsecured, considered good:		
Outstanding for a period exceeding 6 months from the date becoming due for payment	130,323,247	130,323,247
Others receivables	410,019,333	286,426,832
	<b>540,342,580</b>	<b>416,750,079</b>

**SATELLITE DEVELOPERS PRIVATE LIMITED**  
**Notes forming part of Financial Statements**

Particulars	As at 30/09/2019 ₹	As at 31/03/2019 ₹
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<b>17. CASH AND BANK BALANCES</b>		
Cash and cash equivalents	2,038,661	1,865,575
Other bank balances		
Current accounts	84,422,622	37,874,086
Fixed deposits	5,500,000	500,000
Margin money/security against guarantees	14,271,497	14,157,225
	<b>106,232,780</b>	<b>54,396,886</b>

<b>18. SHORT-TERM LOANS AND ADVANCES</b>		
Unsecured, considered good:		
Loans and advances to related parties	1,063,708,544	1,031,568,844
Other loans and advances	2,482,312,643	2,491,526,371
Income tax payments	97,900,790	95,945,256
Employee loans and advances	773,000	732,000
Security deposits	455,750,326	455,709,826
Advances recoverable in cash or kind	666,321,813	628,947,976
	<b>4,766,767,116</b>	<b>4,704,430,273</b>

<b>19. OTHER CURRENT ASSETS</b>		
Other receivables	141,006,908	114,220,000
Advances for projects	261,786,306	261,811,306
	<b>402,793,214</b>	<b>376,031,306</b>

<b>20. REVENUE FROM OPERATIONS</b>		
Sales - property development (Inclusive of incidental receipts)	557,753,436	748,261,234
Sale of electricity	-	1,880,732
Sale of scrap	-	25,210
Sundry receipts	8,723,440	20,366,245
Lease rent	4,830,000	4,000,000
	<b>571,306,876</b>	<b>774,533,421</b>

<b>21. OTHER INCOME</b>		
Interest income	108,431,562	253,381,337
Share of Profit/(loss) from LLP	-	3,918,209
Excess provision written back	-	501,295
Sundry balance written off/(back)	35,012	(1,501,634)
	<b>108,466,574</b>	<b>256,299,207</b>

# SATELLITE DEVELOPERS PRIVATE LIMITED

## Notes forming part of Financial Statements

Particulars	For the year ended 30/09/2019 ₹	For the year ended 31/03/2019 ₹
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<b>22. PROJECT EXPENSES</b>		
Cost for Land, plots and development rights, TDR and premia	129,207,449	948,692,772
Construction expenses	94,461,031	231,231,139
Borrowing costs	1,169,430,315	1,043,396,949
	<b>1,393,098,795</b>	<b>2,223,320,860</b>
<b>Changes in Inventories of premises and Property development</b>		
Premises	42,079,806	(173,978,860)
Property development	(935,323,897)	(1,365,106,095)
	<b>(893,244,092)</b>	<b>(1,539,084,955)</b>

<b>23. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	30,806,657	47,233,376
Contribution to provident and other funds	1,420,310	3,130,858
Staff welfare expenses	2,129,905	5,351,929
	<b>34,356,872</b>	<b>55,716,163</b>

<b>24. FINANCE COSTS</b>		
Interest expense	1,192,783,126	1,118,923,605
Other borrowing costs	300,000	24,024,560
	<b>1,193,083,126</b>	<b>1,142,948,165</b>
Less: Transferred to Property development	1,169,430,315	1,043,396,949
	<b>23,652,811</b>	<b>99,551,216</b>

# SATELLITE DEVELOPERS PRIVATE LIMITED

## Notes forming part of Financial Statements

Particulars	For the year ended 30/09/2019 ₹	For the year ended 31/03/2019 ₹
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<b>25. OTHER EXPENSES</b>		
Rent	2,139,250	1,916,660
Rates and taxes	32,791,037	27,737,523
Travelling and conveyance	6,147,102	11,715,899
Postage and telecommunication	507,851	1,304,954
Legal and professional charges	15,263,717	29,578,076
Vehicle expenses	1,650,516	3,313,289
Printing and stationery	645,062	1,218,192
Repairs and maintenance		
- Windmills	-	2,053,478
- Others	1,903,144	2,475,203
Auditors remuneration		
- Audit Fees	335,000	670,000
- Tax Audit Fees	85,000	170,000
- Taxation Matters	55,000	110,000
- Other Services	25,000	50,000
Directors remuneration	6,000,000	12,000,000
Brokerage on sale of flats	5,691,970	3,285,963
Donation	20,000	101,400
Business promotion	2,306,461	8,499,151
Marketing and advertising expenses	14,146,102	26,597,984
Loss/(gain) on foreign currency, net	9,730	2,340
Insurance charges	2,756,969	1,044,677
Electricity charges	885,331	1,681,527
Miscellaneous expenses	3,772,509	3,935,002
	<b>97,136,750</b>	<b>139,461,317</b>

<b>26. EARNINGS PER EQUITY SHARE</b>		
Net profit after tax attributable to equity shares	7,818,975	12,828,149
Weighted average number of shares outstanding during the period	53,396,291	53,396,291
Basic and diluted earnings per share	0.15	0.24
Nominal value per equity share	10.00	10.00



## Annexure - F

**SESEN REALTY PRIVATE LIMITED**  
**(Formerly ENROLLBIZ CONSULTANTS PRIVATE LIMITED)**  
**BALANCE SHEET AS AT 30TH SEPTEMBER, 2019 (UNAUDITED)**

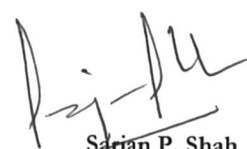
Particulars	Note No.	As at 30/09/2019 ₹	As at 31/03/2019 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	1,000,000	1,000,000
Reserves and surplus	3	(42,764)	(39,264)
		<b>957,236</b>	<b>960,736</b>
<b>Current liabilities</b>			
Trade payables		-	-
Outstanding dues of micro and small enterprises		-	10,000
Outstanding dues of creditors other than micro and small enterprises	4	-	10,000
		<b>-</b>	<b>10,000</b>
<b>TOTAL</b>		<b>957,236</b>	<b>970,736</b>
<b>II. ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	5	957,236	970,736
		<b>957,236</b>	<b>970,736</b>
<b>TOTAL</b>		<b>957,236</b>	<b>970,736</b>
Significant accounting policies	1		

The accompanying notes form an integral part of Financial Statements

For and on behalf of the Board of Directors



**Kalpana P. Shah**  
Director  
DIN:00033504



**Sarjan P. Shah**  
Director  
DIN:02251956

Place: Mumbai  
Date: 18th October, 2019

**SESEN REALTY PRIVATE LIMITED**  
(Formerly ENROLLBIZ CONSULTANTS PRIVATE LIMITED)

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 30/09/2019 (UNAUDITED)

Particulars	Note No.	For the period ended 30/09/2019 ₹	For the period ended 31/03/2019 ₹
<b>REVENUE</b>			
Total Revenue		-	-
<b>EXPENSES</b>			
Other expenses	6	3,500	39,264
<b>Total Expenses</b>		<b>3,500</b>	<b>39,264</b>
<b>Profit/(Loss) before tax</b>		<b>(3,500)</b>	<b>(39,264)</b>
Tax expense:			
Current tax		-	-
<b>Profit/(Loss) for the period</b>		<b>(3,500)</b>	<b>(39,264)</b>
<b>Earnings per equity share:</b>	7		
Basic and diluted		(0.04)	(2.05)
Significant accounting policies	1		

The accompanying notes form an integral part of Financial Statements

For and on behalf of the Board of Directors



**Kalpana P. Shah**  
Director  
DIN:00033504



**Sarjan P. Shah**  
Director  
DIN:02251956

Place: Mumbai  
Date: 18th October, 2019

**SESEN REALTY PRIVATE LIMITED**  
(Formerly ENROLLBIZ CONSULTANTS PRIVATE LIMITED)

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER, 2019 (UNAUDITED)**

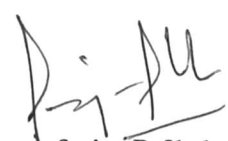
Particulars	For the period ended 30/09/2019 ₹	For the period ended 31/03/2019 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before tax	(3,500)	(39,264)
Adjustment for:		
Operating Profit before working capital changes	(3,500)	(39,264)
Adjustment for:		
Trade payables and other liabilities	(10,000)	10,000
	(10,000)	10,000
<b>Cash Generated from Operations</b>	<b>(13,500)</b>	<b>(29,264)</b>
Direct taxes paid	-	-
<b>Net Cash Flow from Operating Activities : (A)</b>	<b>(13,500)</b>	<b>(29,264)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
	-	-
<b>Net Cash Flow from Investing Activities : (B)</b>	<b>-</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from issue of share capital	-	1,000,000
<b>Net Cash Flow from Financing Activities : (C)</b>	<b>-</b>	<b>1,000,000</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(13,500)</b>	<b>970,736</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>970,736</b>	<b>-</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>957,236</b>	<b>970,736</b>

The accompanying notes form an integral part of Financial Statements

For and on behalf of Board of Directors



**Kalpana P. Shah**  
Director  
DIN:00033504



**Sarjan P. Shah**  
Director  
DIN:02251956

Place: Mumbai

Date: 18th October, 2019

**SESEN REALTY PRIVATE LIMITED**  
(Formerly ENROLLBIZ CONSULTANTS PRIVATE LIMITED)

**Notes forming part of Financial Statements**

**1 SIGNIFICANT ACCOUNTING POLICIES:**

**a) Basis of Accounting:**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules 2016 and the relevant provisions of the Companies Act, 2013 / Companies Act, 1956, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the 2013 Act.

**b) Revenue Recognition:**

Expenses and Income to the extent considered payable and receivable are accounted for on accrual basis.

**c) Earnings per Share:**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**d) Cash flow statement:**

Cash flow statement is reported by using the Indirect method as per Accounting Standard 3-Cash flow statements where profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating, investing and financing activities of the company are segregated.

Particulars	As at 30/09/2019 ₹	As at 31/03/2019 ₹
<b>2 SHARE CAPITAL</b>		
<b>Authorised</b>		
100,000 Equity shares of ₹10 each	1,000,000	1,000,000
50,000 Preference shares of ₹10 each	500,000	500,000
	<b>1,500,000</b>	<b>1,500,000</b>
<b>Issued, Subscribed and Fully Paid up</b>		
100,000 Equity shares of ₹10 each, fully paid up	1,000,000	1,000,000
<b>TOTAL</b>	<b>1,000,000</b>	<b>1,000,000</b>

**Details of shareholders holding more than 5% shares in the company**

Sr. No.	Name of the Shareholder	As at 30/09/2019		As at 31/03/2019	
		No of Shares held	% of holding	No of Shares held	% of holding
1	Satellite Developers Private Limited	100,000	100	100,000	100

**SESEN REALTY PRIVATE LIMITED**  
(Formerly ENROLLBIZ CONSULTANTS PRIVATE LIMITED)

Notes forming part of Financial Statements

Particulars	As at 30/09/2019 ₹	As at 31/03/2019 ₹
<b>3 RESERVES AND SURPLUS</b>		
Surplus in Statement of Profit and Loss		
Opening balance	(39,264)	-
Add: Profit/(loss) for the period	(3,500)	(39,264)
<b>TOTAL</b>	<b>(42,764)</b>	<b>(39,264)</b>
<b>4 TRADE PAYABLES</b>		
Outstanding dues of micro and small enterprises	-	-
Outstanding dues of creditors other than micro and small enterprises	-	10,000
<b>TOTAL</b>	<b>-</b>	<b>10,000</b>
<b>5 CASH AND BANK BALANCES</b>		
Cash and cash equivalents	87,718	89,418
Other bank balances		
Current accounts	869,518	881,318
<b>TOTAL</b>	<b>957,236</b>	<b>970,736</b>
<b>6 OTHER EXPENSES</b>		
Formation expenses/Filing fees	-	24,247
Auditors remuneration	-	10,000
Legal expenses	1,500	910
Printing and stationary	200	4,107
GST expenses	1,800	-
<b>TOTAL</b>	<b>3,500</b>	<b>39,264</b>
<b>7 EARNINGS PER EQUITY SHARE</b>		
Net profit/(loss) after tax attributable to equity shares	(3,500)	(39,264)
Weighted average number of shares outstanding during the period	100,000	19,192
Basic and diluted earnings per share	(0.04)	(2.05)
Nominal value per equity share	10.00	10.00

- 8 The company was incorporated on 22nd March, 2018 as per certificate of incorporation issued by Registrar of Companies. Financial statements for Financial Year 2018-19 were prepared for the period 22nd March, 2018 to 31st March, 2019.