
SCHEME OF ARRANGEMENT

BETWEEN

BRIGADE ENTERPRISES LIMITED
("the Transferor Company")

AND

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

AND

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

AND

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

AND

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

For Brigade Enterprises Limited


Company Secretary

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

THE SCHEME

The Scheme is divided into the following parts:

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

PART I

Dealing with the Introduction and Objective of the Scheme

INTRODUCTION

Transferee Company

(i) BRIGADE HOTEL VENTURES LIMITED

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

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

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

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

(ii) **BRIGADE HOSPITALITY SERVICES LIMITED**

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

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

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

(iii) **AUGUSTA CLUB PRIVATE LIMITED**

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

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owned subsidiary of the Transferor Company.

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

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

Transferor Company

Brigade Enterprises Limited

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

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

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

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

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

OBJECTIVES OF THE SCHEME

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

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

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

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

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PART – II

Dealing with Definitions and Share Capitals

1. DEFINITIONS

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

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

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

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

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

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

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

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