

SCHEME OF ARRANGEMENT

BETWEEN

MARCO POLO TRAVELS AND TOURS PRIVATE LIMITED

AND

MARCO POLO TRAVELS PRIVATE LIMITED

Under Section 230 to 232 of the Companies Act, 2013 read with Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

This Scheme of Arrangement ("*the Scheme*") is presented under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 for demerger of Demerged Undertaking (defined below) into Marco Polo Travels Private Limited.

This Scheme envisages the demerger of Demerged Undertaking from the Demerged Company to the Resulting Company.

RATIONALE:

1.1 *Marco Polo Travels and Tours Private Limited* a company incorporated under the provisions of the Companies Act, 1956 on 30/11/1984 with CIN U63040KA1984PTC006537 ("*Demerged Company*") having registered office at No. 2, Janardhan Towers, Residency Road, Bangalore - 560025. The Demerged Company has the following business divisions:

- a) *Travel and Tours Business Division - The division is engaged in the business of facilitating reservations for various modes of transportation and accommodations, including railways, airplanes, buses, taxis, and lodging facilities, to operate as tourist agents and contractors, clearing and forwarding agents ;*

For Marco Polo Travels & Tours Pvt. Ltd.

Managing Director

Marco Polo Travels (P) Ltd.

Director

- b) *Forex Business Division* -The division is engaged in foreign currency exchange operations, obtaining required licenses and complying with regulations from various authorities including the Central Government, RBI, FERA, and other applicable laws, while also providing custodial, trustee, managerial, and agency services globally;
- c) *Hospitality Business Division* - The division is engaged in the business of developing and managing properties for providing hospitality services. The division focuses on maintaining and developing properties for accommodation purposes.

- 1.2 *Marco Polo Travels Private Limited* a company incorporated under the Companies Act, 2013 on 19/12/2023 with U52291KA2023PTC182412 ("**Transferee Company**") having registered office at 2nd Floor, Janardhan Tower2, Residency Road, Richmond Town, Bangalore, Bangalore North, Karnataka, India, 560025. The Transferee Company was incorporated to carry on the business of booking and reservations, to act as tourist agents and contractors and that of clearing and forwarding agents and foreign currency dealers and money changers.
- 1.3 There are common shareholders in the Demerged Company and the Transferee Company.
- 1.4 With a view to exploiting the diverse market for the products in a more focused manner, it was felt that business divisions of the Demerged Company should be separated to ensure successful and proper running of each business division exclusively and after mutual discussions, it was decided that the Travel and Tours Business Division and Forex Business Division ("**Demerged Undertaking**") be demerged from Demerged Company and spun off into the Transferee Company and the business comprising of the Hospitality Business Division ("**Remaining Business**") would continue to be run as the only business of Demerged Company.
- 1.5 Accordingly, the respective Boards of the Demerged Company and the Transferee Company have formulated this Scheme for the transfer and vesting of the Demerged Undertaking (*defined below*) of Demerged Company into the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 read with other applicable provisions of the Companies Act, 2013

For Marco Polo Travels & Tours Pvt. Ltd.

Managing Director

Marco Polo Travels (P) Ltd.

Director

This Scheme is divided into the following parts:

- (a) Part I, which deals with the background and rationale of the Scheme;
- (b) Part II, which deals with the definitions and financial position of the Demerged Company and the Resulting Company;
- (c) Part III, which deals with the demerger of the Demerged Company with the Resulting Company;
- (d) Part IV, which deals with reorganization of share capital of Demerged Company;
- (e) Part V, which deals with accounting treatments in the books of Demerged Company & Resulting Company;
- (f) Part VI deals with other terms and conditions

PART II

1. DEFINITIONS

In this Scheme, unless inconsistent with the meaning or context, the following expressions shall have the following meanings:-

- 1.1 "Act" means the Companies Act, 2013 and applicable rules made thereunder and includes any amendments, statutory re-enactments and modifications thereof for the time being in force.

For Marco Polo Travels & Tours Pvt. Ltd.

Managing Director

Marco Polo Travels (P) Ltd.

Director

- 1.2 "Appointed Date" means April 01, 2024 or such other date as the NCLT may direct.
- 1.3 "Board of Directors" in relation to respective Demerged Company and/or Resulting Company, as the case may be, shall, include a committee of directors or any person authorized by the board of directors or such committee of directors.
- 1.4 "Companies" shall mean the Demerged Company and the Transferee Company.
- 1.5 "Demerged Company" means *Marco Polo Travels and Tours Private Limited* is a company incorporated under the provisions of the Companies Act, 1956 on 30/11/1984 with CIN U63040KA1984PTC006537 having registered office at No. 2, Janardhan Towers, Residency Road, Bangalore - 560025.
- 1.6 "Demerged Undertaking" means all assets and liabilities associated with the Travels and Tours Business Division and Forex Business Division on a going concern basis, as on the Appointed Date. The Demerged Undertaking shall, inter alia, include the following:
- a. all the assets and properties of the Travel and Tours Business Division and Forex Business Division as on the Appointed Date (hereinafter referred to as the "Assets");
 - b. all the debts, liabilities, duties and obligations of the Travel and Tours Business Division and Forex Business Division of the Demerged Company as on the Appointed Date (hereinafter referred to as the "Liabilities");
 - c. without prejudice to the generality of sub-clause (a) above, the undertaking of the Demerged Company shall include all the movable and immovable properties, plant and machinery, buildings and structures, offices, residential and other premises, capital work in progress, furniture, fixtures, office equipment, appliances accessories, power lines, depots, deposits, all stocks, assets, investments, of all kinds (including shares, scrips, stocks, bonds, debenture, stock, units or pass through certificates) cash balances with banks, loans, advances, contingent rights or benefits, receivables,

For Marco Polo Travels & Tours Pvt. Ltd.

Managing Director

Marco Polo Travels (P) Ltd.

Director

benefit of any deposits, financial assets, leases (including lease rights, prospecting leases if any), and hire purchase contracts, and assets, lending contracts, benefit of any security arrangements, reversions, powers, authorities, entitlements, allotments, approvals, permits and consents, quotas, rights, entitlements, contracts, industrial and statutory licences, registrations, permissions, approvals or consents to carry on the operations, whether in India or abroad and whether issued by statutory and other authorities in India or abroad, including the registrations / benefits under STP, EHTP, EPZ schemes and such other schemes, registrations/approvals/licenses from the Central Government, any State Government, any local authority, Customs, Central Excise, Software Technology Parks of India, Directorate General of Foreign Trade, Income Tax, Service Tax, Sales Tax, Value Added Tax, Central Goods and Services Tax, State Goods and Services Tax, Integrated Goods and Services Tax, Union territory Goods and Services Tax ("GST"), Reserve Bank of India, Ministry of Corporate Affairs, Ministry of Commerce & Industry, Ministry of Communications & Information Technology, Ministry of Finance, Ministry of Home Affairs, Ministry of Science & Technology,, municipal, permissions, tenancies, in relation to the office and /or residential properties for the employees or other persons, guest houses, godowns, warehouses, leases, licenses, fixed and other assets, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kinds, including sales tax, service tax, Central Goods, and Services Tax, State Goods and Services Tax, Integrated Goods and Services Tax, Union territory Goods and Services Tax ("GST") credits/ refunds, deferrals, loans, title, interest, other benefits (including tax benefits) carried forward Income-tax losses, unabsorbed depreciation, advance tax payments, MAT credit, if any, under the Income-tax Act, 1961, certificates issued towards deduction of tax at source, and advantages of whatsoever nature and where ever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by Travel and Tours Business Division and Forex Business Division of the Demerged Company, including but without being limited to trade and service names, and marks, patents, copyrights and other intellectual property rights of any nature whatsoever, authorizations, permits, approvals, rights to use and avail of telephones, telexes, facsimiles, e-mail, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all arrangements, all records, files, papers, computers programmers, manuals, data, catalogues, sales and advertising materials, lists, and other details, of present and former customers, suppliers, customer credit information, customer and supplier, pricing information and other records, in connection with or relating to the Travel and Tours Business Division and Forex Business Division of the Demerged Company, and all other interests, of whatsoever nature belonging to or in the ownership, power, possession, or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by Travel and Tours Business Division and Forex Business Division of the Demerged Company, whether in India or abroad.

For Marco Polo Travels & Tours Pvt. Ltd.


Managing Director

Marco Polo Travels (P) Ltd.


Director

- d. all permanent employees directly or indirectly engaged by Travel and Tours Business Division and Forex Business Division of the Demerged Company at various locations who are willing to become employees of Resulting Company;
- e. all earnest monies and/or security deposits paid by Travel and Tours Business Division and Forex Business Division of the Demerged Company.

The list of assets and liabilities associated with the Demerged Undertaking as on the Appointed Date shall be drawn up by the Statutory Auditor of the Demerged Company and the Board of Directors of the Demerged Company and the Transferee Company shall file the list of assets and liabilities of the Demerged Undertaking with the National Company Law Tribunal subsequently.

- 1.7 "Effective Date" means the date on which the Authority or any other competent authority issues confirmation regarding the registration of the Scheme in terms of Section 230 to 232 of the Act and filing of the certified copies of the order passed by the Authority with the Registrar of Companies. Any references in this Scheme to "Scheme has become effective" or "Scheme becoming effective" or "upon coming into effect of this Scheme" shall be construed to be a reference to the Effective Date.
- 1.8 *"Forex Business Division" shall mean business division engaged in foreign currency exchange operations, obtaining required licenses and complying with regulations from various authorities including the Central Government, RBI, FERA, and other applicable laws, while also providing custodial, trustee, managerial, and agency services globally.*
- 1.9 *"Hospitality Business Division" shall mean - business division engaged in developing and managing properties for providing hospitality services. The division focuses on maintaining and developing properties for accommodation purposes*
- 1.10 "National Company Law Tribunal" or "NCLT" shall mean the National Company Law Tribunal at Bangalore having jurisdiction over the Transferee Company and the Transferor Companies having the power to approve the scheme under Section 230 to 232 of the Act.

For Marco Polo Travels & Tours Pvt. Ltd.


Managing Director

Marco Polo Travels (P) Ltd.


Director

- 1.11 "Resulting Company" or "Transferee Company" means Marco Polo Travels Private Limited a company incorporated under the Companies Act, 2013 on 19/12/2023 with U52291KA2023PTC182412 having registered 2nd Floor, Janardhan Tower 2, Residency Road office at Richmond Town, Bangalore, Bangalore North, Karnataka, India, 560025.
- 1.12 "Remaining Business" means the business of the Demerged Company other than the Travel and Tours Business Division and Forex Business Division.
- 1.13 "Scheme" or "The Scheme" or "this Scheme" means this Scheme of Arrangement in its present form or with any modification(s) made under Clause 14 hereof, as approved or directed by the said Authority or such other competent authority, as may be applicable.
- 1.14 "Shareholders" with reference to the Demerged or Resulting Company means persons holding equity shares in the said Companies as on the Effective Date.
- 1.15 *"Travel and Tours Business Division" shall mean the business division engaged in the business of facilitating reservations for various modes of transportation and accommodations, including railways, airplanes, buses, taxis, and lodging facilities, to operate as tourist agents and contractors, clearing and forwarding agents;*

2. SHARE CAPITAL

- 2.1 The Authorised, Issued, Subscribed and Paid-up Share Capital of the Demerged Company as on March 31, 2023 was as under :-

For Marco Polo Travels & Tours Pvt. Ltd.

Managing Director

Marco Polo Travels (P) Ltd.

Director

Particulars	Amount in Rs.
AUTHORISED	
50,000 equity shares of Rs 100 each	50,00,000/-
ISSUED, SUBSCRIBED AND PAID-UP	
30,000 equity shares of Rs 100 each.	30,00,000/-

- 2.2 The Authorised, Issued, Subscribed and Paid-up Share Capital of the Resulting Company as on March 31, 2023 was as under:

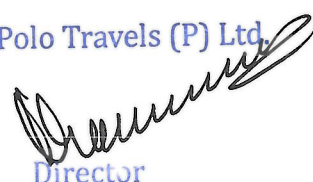
Particulars	Amount in Rs.
AUTHORISED	
1,00,000 equity shares of Rs 10 each	10,00,000/-
ISSUED, SUBSCRIBED AND PAID-UP	
1000 equity shares of Rs.10 each	10,000/-

- 2.3 Upon the Scheme becoming effective, 500 (Five Hundred) equity shares of INR 10/- (Rupees Ten only) each held by Pritham Basappa and Ramma Basappa each in the Resulting Company immediately prior to the demerger being effective, will stand cancelled without any further act, instrument or deed. This cancellation of equity shares will amount to reduction of share capital under Section 66 of the Companies Act, 2013. The sanction of this scheme of arrangement by the Tribunal will also be considered as sanction of the reduction of share capital in respect of such shareholders by the Tribunal.

For Marco Polo Travels & Tours Pvt. Ltd.


Managing Director

Marco Polo Travels (P) Ltd.


Director

- 2.4 The 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 are found or interpreted to be inconsistent with the said provisions at later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(19AA) of the Income Tax Act, 1961. Such modification will however not affect other parts of the Scheme.

P A R T III

3. DEMERGER

- 3.1 With effect from the Appointed Date, the Demerged Undertaking shall, pursuant to the provisions contained in Sections 230 to 232 of the Act, without any further act, deed, matter or thing, be and the same shall stand transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company as a going concern so as to become on and from the Appointed Date, the estate, assets, rights, title, interest and authorities of the Resulting Company, subject however, to all charges, liens, mortgages, then affecting the same or any part thereof, provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility created by or available to the Demerged Company in relation to the Demerged Undertaking which shall vest in the Resulting Company by virtue of the demerger and the Resulting Company shall not be obliged to create any further or additional security therefore after coming into effect of this Scheme or otherwise except in case where the required security has not been created and in such case if the terms thereof require, the Resulting Company will create the security in terms of the issue or arrangement in relation thereto. Similarly, the Resulting Company shall not be required to create any additional security over assets acquired by it under the Scheme for any loans, deposits or other financial assistance availed/to be availed by it.
- 3.2 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of the Scheme, in accordance with the provisions of relevant laws, all consents, permissions, licenses, certificates, accreditations, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of the Demerged Company

For Marco Polo Travels & Tours Pvt. Ltd.

Managing Director

Marco Polo Travels (P) Ltd.

Director

and all rights and benefits under the same shall, in so far as they relate to the Demerged Undertaking and all quality certifications and approvals, trademarks, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual property and all other interests relating to the goods or services being dealt with by Demerged Company in so far as it relates to the Demerged Undertaking be transferred to and vested in Resulting Company. In so far as various incentives, sales tax deferral benefits, subsidies (including applications for subsidies), grants, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by Demerged Company are concerned, the same shall, without any further act or deed, in so far as they relate to the Demerged Undertaking, vest with and be available to Resulting Company on the same terms and conditions.

- 3.3 With effect from the Appointed Date, and subject to any corrections and adjustments as may be required, in the opinion of the Board of Directors of the Demerged Company, the Reserves and Surplus if any, of the Demerged Undertaking of the Demerged Company will be transferred with those of the Resulting Company in the same form and nomenclature as they appeared in the financial statements of the Demerged Company, except as stated elsewhere in the Scheme.
- 3.4 It is expressly provided that in respect of such of the assets of the Demerged Undertaking of the Demerged Company as are moveable in nature or are otherwise capable of being transferred by manual delivery or by endorsement and delivery, the same shall be so transferred by the Demerged Company by physical delivery and shall become the property of the Resulting Company pursuant to the provisions of Sections 230-232 of the Act.
- 3.5 With respect to the other assets of the Demerged Undertaking (including any right, title, interests of the Demerged Company in any leasehold property in relation to the Demerged Undertaking) other than those referred to in sub-Clause 4.4 above, they shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in the Resulting Company pursuant to the provisions of Sections 230-232 of the Act and shall form an integral part of the Demerged Undertaking.
- 3.6 Upon the coming into effect of this Scheme, all liabilities, debts, duties, obligations, outstandings and receivables relating to the Demerged Undertaking shall on and from the Appointed Date stand transferred to and vested in the Resulting Company without any notice or other intimation to the debtors (although the Resulting Company may, if it so deems appropriate, give notice to the debtors that the debts do stand transferred to and vested in the Resulting Company), and the debtors shall be

For Marco Polo Travels & Tours Pvt. Ltd

Managing Director

Marco Polo Travels (P) Ltd

Director

obliged to make payments to the Resulting Company on and from the Appointed Date.

- 3.7 All loans raised and utilized and all debts, duties, liabilities and obligations incurred or undertaken by the Demerged Company with respect to the Demerged Undertaking after the Appointed Date, shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date upon the coming into effect of the Scheme shall be and stand transferred to or vested in or be deemed to have been transferred to and vested in the Transferee Company without any further act, instrument or deed, and shall become the debt, duties, Demerged Undertaking, liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- 3.8 All secured and unsecured debts, (whether in rupees or in foreign currency), all liabilities whether provided for or not in the books of the Demerged Company, duties and obligations of the Demerged Company in relation to the Undertaking alongwith any charge, encumbrance, lien or security thereon (hereinafter referred to as the "said Liabilities") shall be and stand transferred to and vested in or deemed to have been transferred to and vested in the Resulting Company, so as to become the debts, liabilities, duties and obligations of the Resulting Company, 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 debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause. It is clarified that in so far as the assets of the Demerged Company are concerned, the security or charge over such assets or any part thereof, relating to any loans, debentures or borrowing of the Demerged Company shall without any further act or deed continue to relate to such assets or any part thereof, after the Effective Date and shall not relate to or be available as security in relation to any or any part of the assets of the Resulting Company, save to the extent warranted by the terms of the existing security arrangements to which any of the Demerged Company and the Resulting Company are parties, and consistent with the joint obligations assumed by them under such arrangement.
- 3.9 In so far as the various incentives, income tax and service tax benefits, including service tax credits/ refunds, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Demerged Company in relation to the Demerged Undertaking are concerned, the same shall, without any further act or deed, vest with and be available to the Resulting Company on the same terms and conditions on and from the Appointed Date.

For Marco Polo Travels & Tours Pvt. Ltd.

Managing Director

Marco Polo Travels (P) Ltd.

Director

3.10 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licenses, certificates, accreditation, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of the Demerged Company with respect to the Demerged Undertaking, and the rights and benefits under the same shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copy rights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods or services being dealt with by the Demerged Company with respect to the Demerged Undertaking, be transferred to and vested in the Resulting Company on and from the Appointed Date.

3.11 The Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. 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 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.

4. CONSIDERATION

4.1 Upon the Scheme becoming effective, in consideration of the transfer of the business of the Demerged Undertaking in favour of the Resulting Company, each member of the Demerged Company holding Equity Shares in Demerged Company, shall in respect of every 1 (one) fully paid Equity share of Rs.100/- each held by him/her in Demerged Company be entitled from the Resulting Company an allotment of 1 Equity Share of Rs. 10/- each credited as fully paid up.

4.2 No fractional certificate(s) shall be issued in respect of fractional entitlements to which the shareholders of the Demerged Company may be entitled to on issue and allotment of the new Equity Shares. The Resulting Company shall deposit to the respective bank accounts of the shareholders holding such fractional entitlements, cash amount in proportion to their respective fractional entitlements, subject to tax deductible at source if any.

For Marco Polo Travels & Tours Pvt. Ltd.

Manoj Director

Marco Polo Travels (P) Ltd.

Director

- 4.3 Equity Shares of Resulting Company allotted under this Scheme to the members of Demerged Company shall, rank for dividend, voting rights and in all other respects pari passu with the existing Equity Shares of Resulting Company.

5. **TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE:**

5.1 With effect from the Appointed Date and upto and including the Effective Date:

- (i) the Demerged Company shall be deemed to have been carrying on and shall carry on all business and activities relating to the Demerged Undertaking and stand possessed of the properties so to be transferred, for and on account of and in trust for the Resulting Company, including but without limitation, payment of advance income tax and subsequent installments of income tax, sales tax, GST, excise and other statutory levies, etc.
- (ii) all incomes, profits, benefits and incentives accruing to the Demerged Company or losses arising or incurred by it relating to the Demerged Undertaking shall, for all purposes, be treated as the incomes, profits, benefits and incentives or losses, as the case may be, of the Resulting Company; and
- (iii) the Resulting Company shall have the right to claim refund of payment of the taxes arising on account of transactions entered into between the Resulting Company and the Demerged Undertaking of the Demerged company between the Appointed date and the Effective date.

5.2 The Demerged Company and the Resulting Company do hereby undertake, from the Appointed Date upto and including the Effective Date -

- (i) to carry on the business of the Demerged Undertaking with reasonable diligence and business prudence and not to borrow alienate, charge mortgage, encumber or otherwise deal with or dispose of the Demerged Undertaking or any part thereof, nor to undertake any new business or a substantial expansion of its existing business except with the prior written consent of the other company.

For Marco Polo Travels & Tours Pvt. Ltd.

Managing Director

Marco Polo Travels (P) Ltd.

Director

- (ii) not to utilise the profits, if any, relating to the Demerged Undertaking for the purposes of declaring or paying any dividend in respect of the period falling on and after 1st April, 2024 without obtaining the prior approval of the other company.

6. **DEMERGED COMPANY'S STAFF, WORKMEN AND EMPLOYEES:**

On and from the Effective Date:

- 6.1 The Resulting Company undertakes to engage, on and from the Appointed Date, all permanent employees of Demerged Company, who are directly or indirectly engaged in or in relation to the Demerged Undertaking and are desirous of joining Resulting Company on the terms and conditions which are not less favorable or on the same terms and conditions on which they are engaged as on the Appointed Date by Demerged Company without any interruption of service as a result of the transfer and in the terms and conditions not less favorable than those subsisting with reference to Demerged Company as on the said date, as if they were in a continuous service. Resulting Company agrees that the services of all such employees with Demerged Company as on the said date will be as if they were in a continuous service.
- 6.2 The accounts of the employees, who are employed by Demerged Company under 7.1 above, in Resulting Company relating to the superannuation fund, provident fund, gratuity fund and other funds including any surplus in such funds shall be identified, determined and transferred to the trustees of the respective funds of Resulting Company as and when these are created.

7. **BUSINESS AND PROPERTY IN TRUST AND CONDUCT OF BUSINESS FOR THE RESULTING COMPANY**

With effect from the Appointed Date and upto and including the Effective Date, Resulting Company:

- 7.1 shall be deemed to have been carrying on and shall carry on all business and activities relating to the Demerged Undertaking for and on account of and in trust for Resulting Company, including but without limitation, manufacturing, distribution and marketing activities, and payment of advance income tax, tax deducted at source, sales tax, excise, service tax, GST and other statutory levies, etc;

For Marco Polo Travels & Tours Pvt. Ltd.

Managing Director

Marco Polo Travels (P) Ltd.

Director

- 7.2 all profits accruing to Demerged Company or losses arising or incurred by it relating to the Demerged Undertaking shall, for all purposes, be treated as the profits or losses, as the case may be, of Resulting Company;
- 7.3 Demerged Company hereby undertakes, to carry on the business of the Demerged Undertaking with proper prudence and not to alienate charge or otherwise deal with or dispose off the Demerged Undertaking or any part thereof.;
- 7.4 Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies departments and authorities concerned as are necessary under any law, for such consents, approvals and sanctions which Resulting Company may require to own and operate the Demerged Undertaking.

8. **CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS:**

- 8.1 Subject to other provisions of this Scheme, the Resulting Company shall accept all acts, deeds and things relating to the Demerged Undertaking of the Demerged Company done and executed by and/or on behalf of the Demerged Company on or after the Appointed Date as acts, deeds and things done and executed by and/or on behalf of the Resulting Company.
- 8.2 Subject to other provisions of this Scheme, all contracts, deeds, bonds, agreements, leases, insurance policies and other instrument of whatsoever nature relating to the Demerged Undertaking to which the Demerged Company is a party and subsisting or having effect on or before the Effective date shall be in full force and effect against or in favour of the Resulting Company and may be enforced as fully and effectually, as if, instead of the Demerged Company, the Resulting Company had at all material times been a party thereto.

9. **LEGAL PROCEEDINGS:**

The legal or other proceedings by or against Demerged Company pending on the Appointed Date and relating to the Demerged Undertaking (including property rights, powers, liabilities, obligations and duties of Demerged Company) shall continue and enforced by or against Resulting Company in the same manner and to the same extent as it would or might have been continued and enforced by or against

For Marco Polo Travels & Tours Pvt. Ltd.

Managing Director

Marco Polo Travels (P) Ltd.

Director

Demerged Company. Any other legal or other proceedings relating to the Demerged Company pending on the Appointed Date shall continue and remain enforced by or against Demerged Company.

10. REMAINING BUSINESS

- 10.1 The Remaining Business and all the assets, rights, title, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.
- 10.2 All legal, taxation or other proceedings by or against the Demerged Company and relating to the Remaining Business under any statute, whether pending on the Effective Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company.
- 10.3 With effect from the Appointed Date and up to and including the Effective Date, the Demerged Company:
- (a) shall be deemed to have been carrying on and to be carrying on all business activities relating to the Remaining Business for and on its own behalf;
 - (b) all profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes and advance taxes paid, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Demerged Company.

11. PART V - ACCOUNTING TREATMENT

11.1 In the Books of the Demerged Company

Upon the Scheme becoming effective but from the Appointed Date:

For Marco Polo Travels & Tours Pvt. Ltd.

Managing Director

Marco Polo Travels (P) Ltd.

Director

- i. The book value of all assets and liabilities pertaining to the Demerged Undertaking of the Demerged Company which cease to be the assets and liabilities of Demerged Company shall be reduced by Demerged Company at their book values.
- ii. The difference that is the excess of the book values of assets pertaining to the Demerged Undertaking of the Demerged Company over the book value of the liabilities pertaining to the Demerged Undertaking of the Demerged Company shall be credited to General Reserve or adjusted against the debit balance of Profit & Loss Account as the case may be. If the Demerger Adjustment Account results in a debit balance the same shall be written off against Profit & Loss account.

11.2 In the books of the Resulting Company

Upon the Scheme becoming effective but from the Appointed Date

- i. The Resulting Company shall record the assets and liabilities pertaining to the Demerged Undertaking of the Demerged Company, at the respective books values as appearing in the books of Demerged Company as on Appointed Date;
- ii. The Resulting Company shall credit to its share capital account, the aggregate face value of the Equity Shares issued by it pursuant to this Scheme;
- iii. The difference being excess of assets over liabilities recorded by the Resulting Company, over the amount credited as share capital will be deemed to be and shall be treated as Capital Reserve account in the books of Resulting Company. In case of there being shortfall, the same shall be debited to and carried forward as Goodwill, after first being set-off against the Capital Reserve, if any, arising in the books of the Resulting Company under any other scheme of arrangement. The capital reserve or goodwill account, as the case may be, may be dealt with by the Resulting Company in accordance with generally accepted accounting principles.

PART VI – OTHER TERMS AND CONDITIONS

12. APPLICATION TO NCLT

The Demerged Company and the Transferee Company shall with all reasonable diligence make and pursue applications and petitions before the jurisdictional NCLT for sanctioning of the Scheme under Section 230 to 232 and other applicable provisions of the Act.

For Marco Polo Travels & Tours Pvt. Ltd.

Managing Director

Marco Polo Travels (P) Ltd.

Director

13. AMENDMENTS, ALTERATIONS AND MODIFICATIONS

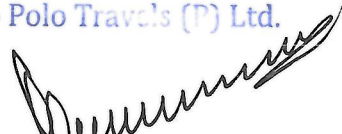
- 13.1 Demerged Company (by its Directors) and Resulting Company (by its Directors) may, in their full and absolute discretion, assent to any alterations or modifications in this Scheme which the Court may deem fit to approve or impose and may give such directions as they may consider necessary to settle any questions or difficulty arising in under the Scheme or in regard to its implementation or in any matter connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholder of the respective Companies). In the event that any conditions are imposed by the said NCLT at Bangalore which Demerged Company or Resulting Company find unacceptable for any reason whatsoever then Demerged Company and/or Resulting Company shall be entitled to withdraw from the Scheme in which event no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the parties or any of them.
- 13.2 The Demerged Company and the Transferee Company by their respective Boards or any duly authorized persons may make or consent to, on behalf of all persons concerned, any modifications or amendments to the Scheme or to any conditions or limitations that the Authority or any other competent authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them or it (i.e. the Board or committee) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.
- 13.3 The Board of the respective Companies are authorised to take all necessary steps to give effect to the terms of this Scheme.

14. CONDITIONS

- 14.1 The Scheme is conditional upon and subject to the following:
- (a) the approval of this Scheme by the requisite majority of the members and such classes of persons of the Demerged Company and the Transferee Company respectively in terms of Section 230 to 232 of the Act;

For Marco Polo Travels & Tours Pvt. Ltd.

Managing Director

Marco Polo Travels (P) Ltd.

Director

- (b) The sanction of the scheme by the Hon'ble NCLT under Section 230 to 232 of the Act;
- (c) Certified copy of the orders of the Hon'ble NCLT sanctioning the Scheme being filed with the jurisdictional Registrar of Companies.

15. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

- 15.1 In the event of any of the said approvals or conditions referred to in Clause 15 above not being obtained and/ or complied with and/or satisfied and/or confirmation order or orders not being passed by the Authority as aforesaid by such date as may be mutually agreed upon by the respective Boards of the Demerged Company and the Transferee Company (who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)), this Scheme shall stand revoked, cancelled and be of no effect.
- 15.2 The Board of Directors of the Demerged Company and the Transferee Company shall be entitled to withdraw this Scheme prior to the Effective Date.
- 15.3 The Boards of the Demerged Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme with effect from the Appointed Date could have adverse implications on the Demerged Company and/ or the Transferee Company.
- 15.4 If this Scheme is rejected as against one or more of the Demerged Company and sanctioned as against one or more companies, then it is the intention of the Companies that the Scheme shall be applicable in respect of those companies for which the Scheme is approved / sanctioned by the Hon'ble NCLT.

For Marco Polo Travels & Tours Pvt. Ltd.

Managing Director

Marco Polo Travels (P) Ltd.

Director

16. VALIDITY OF EXISTING RESOLUTIONS, ETC.

- 16.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date, the resolutions of the Demerged Company as are considered necessary by the Board of Transferee Company which are validly subsisting be considered as resolutions of Transferee Company. If any such resolutions have any monetary limits approved under the provisions of the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Transferee Company, shall be added to the limits, if any, under the like resolutions passed by Transferee Company.

17. COSTS

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

For Marco Polo Travels & Tours Pvt. Ltd.

Managing Director

Marco Polo Travels (P) Ltd.

Director