

SCHEME OF ARRANGEMENT
AMONGST
GROWTH SECURITIES PRIVATE LIMITED
(“DEMERGED COMPANY”)
AND
ALGOQUANT INVESTMENTS PRIVATE LIMITED
(“AMALGAMATING COMPANY”)
AND
ALGOQUANT FINTECH LIMITED
(“RESULTING COMPANY” / “AMALGAMATED COMPANY”)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 AND OTHER APPLICABLE
SECTIONS AND PROVISIONS OF THE COMPANIES ACT, 2013 READ TOGETHER WITH
THE RULES MADE THEREUNDER)



INTRODUCTION

1. PREAMBLE

This Scheme of Arrangement ("**Scheme**") is presented pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013, and the rules and regulations issued thereunder and also read with Sections 2(1B) and 2(19AA) and the other applicable provisions of the Income-tax Act, 1961, and further read together with the applicable framework and regulations as is provided and governed by the Securities and Exchange Board of India, in each case, as amended from time to time and as may be applicable, for:

- (i) Demerger of the Stock Broking, Self-Clearing Membership/ Clearing Membership and Depository Participant Business Undertaking (*as more elaborately defined hereunder*) of Growth Securities Private Limited (the "**Demerged Company**") and vesting of the same with and into Algoquant Fintech Limited (the "**Resulting Company**"), on a going concern basis; and
- (ii) Amalgamation of Algoquant Investments Private Limited (the "**Amalgamating Company**") into and with the Algoquant Fintech Limited (the "**Amalgamated Company**") and subsequent automatic dissolution of Amalgamating Company; and
- (iii) Various other matters consequential or otherwise integrally connected herewith.

2. BACKGROUND AND DESCRIPTION OF THE PARTIES TO THIS SCHEME

- a) **Growth Securities Private Limited ("GSPL"/"Demerged Company")** is a private limited company, incorporated under the Companies Act, 1956 (as amended) on 19th July 1996, having its registered office at Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A WTC Block No. 51, Road 5E, Zone-5, GIFT City Gandhinagar - 382 355, Gujarat.

The Demerged Company is engaged in the business of stock broking wherein it operates as stock broker having trading membership of National Stock Exchange of India Limited ("**NSE**"), BSE Limited ("**BSE**"), and Multi Commodity Exchange of India Limited ("**MCX**") Self-Clearing Membership of NSE Clearing Limited ("**NCL**") and Clearing / Self Clearing Membership of Indian Clearing Corporation Limited ("**ICCL**"), Depository Participant with Central Depository Services Limited ("**CDSL**"), Mutual Fund Distributor registered with Association of Mutual Funds in India, and also acts as a service provider and offers an IT enabled trading portal/platform to its clients (collectively referred to as "**Stock Broking Business**"). In addition to the Stock Broking Business, the Demerged Company earns rental income from the leasing of surplus (which is in excess of Demerged Company's own requirements) immovable property owned by it, which is not part of its Stock Broking Business ("**Remaining Undertaking**"). For avoidance of doubt, this activity pertaining to earning of rental income does not in any manner impact the Stock Broking Business of the Demerged Company and amongst others, casts no financial liability/ obligation on the Stock Broking Business. The Corporate Identity Number ("**CIN**") of the Demerged Company is U74899GJ1996PTC119714 and the Permanent Account Number ("**PAN**") of the Demerged Company is AABCG7715L. Presently, entire 100% shareholding in the Demerged Company is held by Individual Promoters (hereinafter referred to as "**Promoters**").

- b) **Algoquant Investments Private Limited ("AIPL"/ "Amalgamating Company")** is a private limited company incorporated under the provisions of the Companies Act, 1956 (as amended) on 28th February 1983, having its registered office at 705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar Ahmedabad – 380 015, Gujarat. The Amalgamating Company was originally incorporated as Mandelia Investments Private Limited. The name of Amalgamating Company was changed to its present name i.e., Algoquant Investments Private Limited from Mandelia Investments Private Limited in the year 2021 and a certificate of incorporation pursuant to change of name was issued by Registrar of Companies, New

Delhi on 12th November 2021. Furthermore, the registered office of the company was shifted from New Delhi to Gujarat by way of altering the provisions of its Memorandum of Association under the applicable laws, having confirmed by an order of Regional Director bearing date 10th October 2022 and in effect thereof "Certificate of Registration of Regional Director order for Change of State" has been issued by Registrar of Companies – Ahmedabad on 04th November 2022

The Amalgamating Company is engaged in undertaking investments in securities of group companies (not being banking or insurance business in contravention of Banking Regulations Act 1949 or Insurance Act, 1938). The Amalgamating Company is the holding company of AFL and qualifies as a shareholder under promoter and promoter group of the Amalgamated Company. The CIN of the Amalgamating Company is U67120GJ1983PTC136550 and the PAN of the Amalgamating Company is AAAFM2285K. The Amalgamating Company is the holding company of Amalgamated Company (*defined hereinafter*) and holds 51.92% shareholding in the Amalgamated Company. Presently, entire 100% shareholding in the Amalgamating Company is held by Algoquant Financials LLP, (and only 1 share is held by Mr. Devansh Gupta as a nominee of Algoquant Financials LLP in order to fulfil the statutory requirement) which in turn is held by the Promoters.

- c) **Algoquant Fintech Limited ("AFL" / "Resulting Company" / "Amalgamated Company")** is a public limited company, incorporated under the Companies Act, 1956 (as amended) on 25th January 1962, having its registered office at Unit No. 705, 07th Floor of ISCON Elegance, developed at Plot No. 24, Prahaladnagar, Ahmedabad 380 015 – Gujarat. Algoquant Fintech Limited was originally incorporated as Hindustan Dowidat Tools Limited. The name of AFL was changed to its present name i.e., Algoquant Fintech Limited from Hindustan Everest Tools Limited in the year 2021 and a certificate of incorporation pursuant to change of name was issued by Registrar of Companies, New Delhi on 15th November 2021. Furthermore, the registered office of the company was shifted from New Delhi to Gujarat, by way of altering the provisions of its Memorandum of Association under the applicable laws, having confirmed by an order of Regional Director bearing date 07th October 2022 and in effect thereof "Certificate of Registration of Regional Director order for Change of State" has been issued by Registrar of Companies – Ahmedabad on 15th November 2022.

AFL was formerly engaged in the business of trading in metals, which was discontinued w.e.f. 01st April 2021. Presently, AFL is engaged in the business of trading in financial instruments using various trading algorithms. The equity shares of AFL are listed on the BSE Ltd. ("**BSE**" or "**the Stock Exchange**"). The CIN of AFL is L74110GJ1962PLC136701 and the PAN is AAACH2937C. Further, AFL qualifies as a subsidiary of the Amalgamating Company. Presently, Promoters and Promoter Group hold 65.90% shareholding, directly or indirectly, in AFL with the balance stake held by public shareholders.

Hereinafter, collectively referred to as '**Participating Companies**'.

3. NEED AND RATIONALE FOR THIS SCHEME

3.1 Need for the Scheme

The management of the Participating Companies is of the view that the stock broking industry is poised for substantial growth which can be better capitalized as an integrated listed entity which has a robust balance sheet, potential for a wider customer reach and a more acceptable structure from a regulatory and compliance standpoint. Further, the proposed consolidation through demerger of Stock Broking Business Undertaking of the Demerged Company into the Resulting Company will result into overall enhanced efficiencies and the consolidation of Amalgamating



Company would aid in rationalizing the Promoter holding thus leading to a simplified and streamlined organisation structure. The consolidated organization is also expected to create more value for all the stakeholders.

3.2 Rationale for the Scheme

- 3.2.1 The Resulting Company / Amalgamated Company proposes to enter into this Scheme with Demerged Company and the Amalgamating Company, to consolidate their service capabilities thereby increasing efficiencies in operations and use of resources for improving overall customer satisfaction, optimization of working capital utilization, to pool their human resource talent for optimal utilization of their expertise, to integrate the marketing and distribution channels for better efficiency, to have a larger market footprint domestically, and furthermore, to simplify and streamline the group holding structure.
- 3.2.2 The management of the respective Participating Companies are of the view that the arrangement proposed in this Scheme is, in particular, expected to have the following benefits:
- a) Consolidation of the complementing strengths will enable the Resulting Company / Amalgamated Company to have increased capability for offering diversified products and services on a single platform. Its enhanced resource base and client relationships are likely to result in better business potential and prospects for the consolidated entity and its stakeholders.
 - b) The combined financial strength is expected to further accelerate the scaling up of the operations of the Resulting Company / Amalgamated Company. Deployment of resources in a more efficient manner is likely to enable faster expansion of the business operations of the Resulting/ Amalgamated Company. Amongst others, the demerger of Stock Broking Business Undertaking of the Demerged Company into the Resulting Company will enable the consolidated entity to have an extensive pan India network for deeper market penetration and enhancement of the overall customer satisfaction, engagement and retention.
 - c) The consolidation of funds and resources will lead to optimization of working capital utilization and stronger financial leverage, improved balance sheet, and consolidation of cross location talent pool.
- 3.2.3 The Scheme envisages demerger of the Demerged Undertaking (*as defined hereinunder*) and vesting of the same in the Resulting Company pursuant to Part B of this Scheme, to enable the Resulting Company and the Demerged Company to achieve optimum growth and development of their respective business operations post such demerger. The nature of risk and opportunities involved in both the businesses is divergent and capable of attracting different sets of investors. The management of the respective Participating Companies believe that both the businesses (i.e., Stock Broking Business (*as defined hereinunder*) and the Remaining Undertaking (*as defined hereinunder*)) will benefit from dedicated management, operations and investment strategy leading to development, expansion and growth for maximization of stakeholder's value.
- 3.2.4 Amalgamation of the Amalgamating Company to Amalgamated Company pursuant to Part C of the Scheme, will lead to a simplified and streamlined holding structure and help in easing and rationalizing the compliances.
- 3.2.5 The management of the respective Participating Companies is of the view that this Scheme is in the interest of the customers, employees, lenders, shareholders and all other stakeholders of the respective Participating Companies. Furthermore, the Scheme will enable the synergies that exist between the businesses carried out by the Participating Companies in terms of services and resources to be used optimally for the benefit of their stakeholders.



4. OVERVIEW OF THIS SCHEME

4.1 This Scheme is divided into the following parts:

PART A	-	Definitions, Compliance with Tax Laws and Capital Structure
PART B	-	Demerger of the Demerged Undertaking and vesting of the same in the Resulting Company and other related matters
PART C	-	Amalgamation of Amalgamating Company into and with Amalgamated Company, Reduction in Share Capital of the Amalgamated Company and Dissolution of Amalgamating Company and other related matters
PART D	-	Reorganisation of Equity Share Capital of the Resulting Company / Amalgamated Company
PART E	-	Change in Authorised Share Capital of the Resulting Company / Amalgamated Company
PART F	-	General Terms and Conditions applicable to the Scheme

4.2 Sequencing of the Scheme:

Subject to the provisions of Part F of this Scheme, upon this Scheme becoming operative on the Effective Date, the following shall be deemed to have occurred on the Appointed Date (except Part D of the Scheme) and shall become effective and operative in the sequence and in the order mentioned hereunder:

- (i) Demerger of the Demerged Undertaking of the Demerged Company and vesting of the same with and into the Resulting Company in accordance with Part B of this Scheme;
- (ii) Amalgamation of the Amalgamating Company into and with Amalgamated Company Reduction in Share Capital of the Amalgamated Company and Dissolution of Amalgamating Company in accordance with Part C of this Scheme;
- (iii) Reorganisation of Equity Share Capital of the Resulting Company / Amalgamated Company in accordance with Part D of this Scheme
- (iv) Change in Authorized Share Capital of the Resulting Company / Amalgamated Company, giving effect to Part B, Part C and Part D of this Scheme, in accordance with Part E of this Scheme.



PART A
DEFINITIONS, COMPLIANCE WITH TAX LAWS AND CAPITAL STRUCTURE

5. DEFINITIONS

In this Scheme, unless repugnant to the subject or meaning or context thereof, the following expressions shall have the meaning attributed to them as below:

- 5.1 “**Act**” means, as the context may admit, the Companies Act, 2013 (as may be notified from time to time) and the rules made thereunder, and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 5.2 “**Amalgamated Company**” / “**Resulting Company**” means Algoquant Fintech Limited, as mentioned in the Para 2(c) of this Scheme.
- 5.3 “**Amalgamating Company**” means Algoquant Investments Private Limited, as mentioned in Para 2(b) of this Scheme and include the whole of the business of such Amalgamating Company, including but not limited to:
- a) all of its movable assets, whether present or future, whether tangible or intangible and all rights, title, interests, covenants, undertakings and continuing rights in relation thereto;
 - b) all of its immovable properties and all its rights, title, interests, covenants, undertakings and continuing rights in relation thereto including all its land (together with all the buildings and structures standing thereon), whether freehold or leasehold;
 - c) all of its present and future liabilities, including contingent liabilities, charges and debts appertaining thereto;
 - d) all of its investments including shares and other securities, loans and advances, including interest and dividend accrued thereon;
 - e) all of its permits, rights, entitlements and licences (including the industrial or other licences) granted by any governmental, statutory or regulatory bodies, environmental clearances, permissions, approvals, consents, exemptions, subsidies, registrations, no-objection certificates, quotas, privileges, powers, offices, facilities whether granted/available/renewed/applied for;
 - f) all of its intellectual property rights, websites, emails, trade names, trademarks, service marks, copyrights, domain names, brand names, logos and applications therefor;
 - g) all of its indirect and direct tax credits, including but not limited to, service tax credit, CENVAT credit, GST credit, VAT credit, income-tax refunds, carry forward losses, unabsorbed depreciation, TDS, TCS, MAT credit entitlement, etc.;
 - h) all of its privileges and benefits under all contracts, agreements, memorandum of understanding and all other rights powers and facilities of every kind and description whatsoever;
 - i) all of its debts, borrowings, obligations and liabilities, present or future or contingent, whether secured or unsecured;
 - j) all of its workmen and employees including those employed at its offices, factories and branches, and all other personnel employed by it;
 - k) all of the advance monies, earnest monies as may be lying with it and any and all of its security



- deposits, bank and contractual guarantees and other entitlements; and
- l) all of its other properties, assets, liabilities, rights, obligations and employees, etc. of any nature whatsoever not covered under (a) to (k) above.
- 5.4 **“Applicable Law(s)”** means all statutes, notifications, bye-laws, rules, regulations, guidelines, rules or common law, policies, codes, directives, ordinances, schemes or orders enacted or issued or sanctioned by any governmental authority, including any modification or re-enactment thereof for the time being in force.
- 5.5 **“Appointed Date”** means the opening of business hours on 01st April, 2023 or such other date as may be approved by the NCLT, with effect from which the Scheme will be deemed to be effective in the manner described in the Scheme.
- 5.6 **“Board of Directors”** means the respective boards of directors of the Participating Companies and shall, unless repugnant to the context or otherwise, include any duly authorized committee of directors or any person duly authorized by the Board of Directors or such committee of directors.
- 5.7 **“BSE”** means The BSE Ltd. and includes any successor thereof.
- 5.8 **“Companies” / “Participating Companies”** means collectively, the Demerged Company, Amalgamating Company and the Resulting Company / Amalgamated Company.
- 5.9 **“Tribunal” / “NCLT”** means the Ahmedabad Bench of the Hon’ble National Company Law Tribunal, or such other court, forum or authority as may be vested with any of the powers of the NCLT under the Act and/or as may be having jurisdiction for sanctioning this Scheme.
- 5.10 **“Demerged Company”** means Growth Securities Private Limited, as mentioned in the Para 2(a) of this Scheme.
- 5.11 **“Demerged Undertaking”** means the business undertaking of the Demerged Company engaged in the Stock Broking Business, as a going concern, including all its assets, investments, infrastructures, rights, approvals, licenses and powers, leasehold rights and all its debts, outstanding liabilities, duties, obligations and employees, in each case, pertaining exclusively and solely to the Stock Broking Business of the Demerged Company and including, but not limited to, the following:
- (i) all immovable properties i.e. land together with the buildings and structures standing thereon, whether freehold or leasehold, including share of any joint assets, which are currently being used exclusively and solely for the purpose of and in relation to the Stock Broking Business of the Demerged Company and all related documents (including *panchnamas*, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
 - (ii) all assets, as are movable in nature and exclusively and solely pertaining to and in relation to the Stock Broking Business of the Demerged Company, whether present or future, tangible or intangible, including goodwill, whether recorded in the books or not and actionable claims, financial assets, investments (including in subsidiaries, associates and joint ventures in India, including but not limited to International Financial Services Centre [IFSC]) and in overseas jurisdictions and loans and advances (including inter-unit receivables, if any, between the undertakings of the Demerged Company engaged in the Stock Broking Business and Remaining Undertaking), pertaining to and in relation to the Stock Broking Business of the Demerged Company including accrued interest or dividend thereon;
 - (iii) all rights, licenses, privileges, claims, benefits, powers and facilities of every kind, nature and description whatsoever, exclusively and solely pertaining to and in relation to the Stock Broking Business of the Demerged Company, including all assignments and grants thereof and all permits, clearances licenses, authorizations and registrations, exclusively and solely pertaining to and in relation to the Stock Broking Business of the Demerged Company;
 - (iv) all taxes, share of advance tax, TDS, TCS, MAT credit, deferred tax benefits and other

benefits in respect of the Stock Broking Business of Demerged Company;

- (v) all provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Stock Broking Business of the Demerged Company;
- (vi) all books, records, files, papers, computer programs along with their licenses, manuals and back-up copies, advertising materials, and other data and records whether in physical or electronic form, in connection with or relating to the Stock Broking Business of the Demerged Company;
- (vii) all employees and other personnel employed/engaged by the Demerged Company that are determined by its Board of Directors to be engaged in or in relation to the Stock Broking Business of the Demerged Company on the date immediately preceding the Effective Date;
- (viii) all legal proceedings of whatsoever nature by or against or in relation to the Stock Broking Business of the Demerged Company;
- (ix) all liabilities and obligations (including liabilities, allocable as per this Scheme, if any), whether present or future (including inter-unit payables, if any, between the undertakings of the Demerged Company engaged in the Stock Broking Business and the Remaining Undertaking) and the contingent liabilities pertaining to or relatable to the Stock Broking Business of the Demerged Company. The liabilities pertaining to the Stock Broking Business of the Demerged Company mean and include:
 - (a) All liabilities (including contingent liabilities) arising out of the activities or operations of the Stock Broking Business of the Demerged Company, including in relation to or in connection with taxes or under or in relation to its contracts, obligations and duties;
 - (b) Specific loans and borrowings raised, incurred and utilized, if any, solely for the activities or operations of the Stock Broking Business of the Demerged Company; and
 - (c) Liabilities other than those referred to above, which are general or multipurpose borrowings, if any, of the Demerged Company to be allocated to the Stock Broking Business of the Demerged Company in the same proportion which the value of the assets transferred under Part B of this Scheme bears to the total value of the assets of the Demerged Company immediately before the Appointed Date of the Scheme in accordance with the provisions of Explanation 2 to the Section 2(19AA) of the IT Act.
- (x) All the existing accounts of the clients, existing funds, cash and bank balance, securities, collaterals, respective bank and demat accounts, fixed deposit receipts, bank guarantees, leased lines, co-location racks, software's, in house/ empaneled vendors, NNF permission and licenses and other assets etc., relating to the Stock Broking Business of the Demerged Company
- (xi) any other asset (including any cash) specifically allocated by the Board of Directors of the Demerged Company for the Stock Broking Business of the Demerged Company.

Any issue as to whether any asset or liability pertains to or is relatable to the Demerged Undertaking shall be mutually decided between the Board of Directors of the Demerged Company and the Resulting Company on the basis of evidence that they may deem relevant for the purpose (including the books or records of the Demerged Company).

5.12 **"Depository Participant"** shall mean registration in the capacity of depository participant with Central Depository Services (India) Limited

5.13 **"Effective Date"** means the date on which the order of the Tribunal sanctioning the Scheme or any particular part(s) of the Scheme, is filed with the RoC.

Any references in this Scheme to **"upon this Scheme becoming effective"** or **"effectiveness of this Scheme"** shall be construed accordingly.

- 5.14 **"Exchange"** or **"Exchanges"** shall mean the National Stock Exchange of India Limited (**"NSE"**), the BSE Limited (**"BSE"**) and the Multi Commodity Exchange of India Limited (**"MCX"**)
- 5.15 **"Government"** or **"Governmental Authority"** means any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof.
- 5.16 **"GST"** means goods and services tax.
- 5.17 **"INR"** means the Indian National Rupee
- 5.18 **"IT Act"** means the Indian Income-tax Act, 1961 and the rules, regulations, circulars, notifications and orders issued thereunder including any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 5.19 **"MAT"** means minimum alternate tax.
- 5.20 **"Part B Record Date"** has the meaning ascribed to it in Clause 13.1.
- 5.21 **"Part C Record Date"** has the meaning ascribed to it in Clause 21.1.
- 5.22 **"Part D Record Date"** has the meaning ascribed to it in Clause 25.1.
- 5.23 **"RBI"** means the Reserve Bank of India or any successor thereof.
- 5.24 **"Registrar of Companies"** or **"RoC"** means the Registrar of Companies having jurisdiction over the Companies.
- 5.25 **"Remaining Undertaking"** or **"Real Estate Business"** means the business undertaking of the Demerged Company that continues to remain with the Demerged Company after the demerger of Stock Broking Business in accordance with Part B of this Scheme;
- 5.26 **"Rules"** means The Companies (Compromises, Arrangements and Amalgamations) Rules 2016 and any other applicable rules, issued under the Act and as amended from time to time;
- 5.27 **"Scheme of Arrangement"** or **"Scheme"** means this scheme of arrangement in its present form, or with or without any modification(s), as may be approved or imposed or directed by the Tribunal, Court, SEBI and any other Governmental Authority.
- 5.28 **"SEBI"** means the Securities and Exchange Board of India or any successor thereof.
- 5.29 **"SEBI Scheme Circular"** means the SEBI Master Circular bearing number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, consolidating SEBI circulars dated March 10, 2017, March 23, 2017, May 26, 2017, September 21, 2017, January 3, 2018, September 12, 2019, November 3, 2020, November 16, 2021, and November 18, 2021, further amended from time to time, *inter alia* in relation to the Scheme of Arrangement by Listed Entities.
- 5.30 **"SEBI Regulations"** means the regulations *inter-alia* including Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015; Securities and Exchange Board Of India (Intermediaries) Regulations, 2008; Securities and Exchange Board of India (Stock-Brokers) Regulations, 1992; as amended from time to time read with SEBI Master circulars bearing number SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/104 dated September 21, 2017; SEBI/HO/MIRSD/DOP1/CIR/P/2018/87 dated June 01, 2018; SEBI/HO/MRD2/DDAP/CIR/P/2021/18 dated February 05, 2021; SEBI/HO/MIRSD/DOR/CIR/P/2021/46 dated March 26, 2021; SEBI/HO/MRD2/MRD2_DCAP/P/CIR/2021/0000000591 dated July 05, 2021, and any other applicable circulars, notifications, orders, and other communication, existing and/ or as may be introduced by SEBI, from time to time.
- 5.31 **"Stock Exchange"** means the BSE.



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5.32 "TCS" means Tax Collected at Source.

5.33 "TDS" means Tax Deducted at Source.

The expressions, which are used but are not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the rules, regulations made thereunder), the Depositories Act, 1996, the IT Act and other Applicable Laws.

6. COMPLIANCE WITH TAX LAWS

6.1 This Scheme, in so far as it relates to the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company pursuant to Part B of the Scheme, has been drawn up under Section 230-232 of the Act, to comply with the conditions relating to "Demerger" as specified under the tax laws, including Section 2(19AA) of the IT Act, which include the following:

- a) all the property of the Demerged Undertaking, being transferred by Demerged Company, immediately before the demerger, shall become the property of the Resulting Company, by virtue of the demerger;
- b) all the liabilities relating to the Demerged Undertaking, being transferred by Demerged Company, immediately before the demerger, shall become the liabilities of the Resulting Company, by virtue of the demerger;
- c) the property and the liabilities of the Demerged Undertaking, being transferred by Demerged Company, shall be transferred to the Resulting Company at values appearing in the books of account of the Demerged Company, as existing immediately before the demerger or at values different from the value appearing in the books of account of the demerged company, immediately before the demerger, in compliance with the Indian Accounting Standards specified in the Annexure to the Companies (Indian Accounting Standards) Rules, 2015;
- d) the Resulting Company shall issue, in consideration of the demerger, its shares to the shareholders of Demerged Company (after giving effect to Part B of the Scheme) on a proportionate basis, except where the Resulting Company itself is a shareholder of the Demerged Company, if applicable;
- e) the shareholders holding not less than three-fourths in value of the shares in the Demerged Company (other than shares already held therein immediately before the demerger by, or by a nominee for, the Resulting Company or, its subsidiary, if applicable) shall become shareholders of the Resulting Company by virtue of the demerger, otherwise than as a result of the acquisition of the property or assets of Demerged Company or any undertaking thereof by the Resulting Company;
- f) the transfer of the Demerged Undertaking shall be on a going concern basis; and
- g) comply with the other relevant sections (including Sections 47 and 72A) of the IT Act, as applicable.

6.2 This Scheme, in so far as it relates to the amalgamation of Amalgamating Company into the Amalgamated Company, has been drawn up to comply with the conditions relating to "Amalgamation" as specified under the tax laws, including Section 2(1B) of the IT Act, which include the following:

- a) all the properties of the Amalgamating Company immediately before the amalgamation shall become the property of the Amalgamated Company by virtue of the amalgamation;
- b) all the liabilities of the Amalgamating Company immediately before the amalgamation shall become the liabilities of the Amalgamated Company by virtue of the amalgamation;

- c) shareholders holding not less than three-fourths in value of the shares in the Amalgamating Company (other than shares already held therein immediately before the amalgamation by, or by a nominee for, the Amalgamated Company or its subsidiary) become shareholders of the Amalgamated Company by virtue of the amalgamation;

otherwise than as a result of the acquisition of the property of one company by another company pursuant to the purchase of such property by the other company or as a result of the distribution of such property to the other company after the winding up of the first-mentioned company;

and shall also comply with the other relevant sections (including Sections 47 and 72A) of the IT Act.

- 6.3 If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of a new enactment or any amendment to any existing enactment or the coming into force of any provision of the IT Act or any other law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail and this Scheme (including any parts hereof) may be modified to comply with such laws or may be withdrawn at the discretion of the Board of Directors of the affected Companies provided however that no modification to the Scheme will be made which adversely affects the rights or interest of the creditors without seeking their approval. Further, such modification/withdrawal will not affect other Parts of the Scheme which have not been so modified or withdrawn.

7. CAPITAL STRUCTURE

7.1 Demerged Company

- 7.1.1 The authorised, issued, subscribed and paid-up share capital of the Demerged Company, as on 31st December 2022 is as under:

Authorised Share Capital	Amount in INR
10,00,000 Equity Shares of ₹ 10/- each	1,00,00,000
Total	1,00,00,000
Issued, Subscribed and Paid-Up Share Capital	Amount in INR
3,00,000 Equity Shares of ₹ 10/- each	30,00,000
Total	30,00,000

- 7.1.2 Subsequent to 31st December, 2022 and until the date of the Scheme being approved by the Board of Directors of the Demerged Company, there has been no change in the authorised, issued, subscribed and paid-up equity share capital of the Demerged Company.

7.2 Amalgamating Company

- 7.2.1 The authorised, issued, subscribed and paid-up share capital of the Amalgamating Company, as on 31st December 2022 is as under:

Authorised Share Capital	Amount in INR
1,00,000 Equity Shares of ₹ 100/- each	1,00,00,000

Total	1,00,00,000
Issued, Subscribed and Paid Up Share Capital	Amount in INR
52,746 Equity Shares of ₹ 100/- each	52,74,600
Total	52,74,600

- 7.2.2 Subsequent to 31st December 2022 and until the date of the Scheme being approved by the Board of Directors of the Amalgamating Company, there has been no change in the authorised, issued, subscribed and paid-up equity share capital of the Amalgamating Company.

7.3 Resulting Company / Amalgamated Company

- 7.3.1 The authorised, issued, subscribed and paid-up share capital of the Resulting Company / Amalgamated Company, as on 31st December 2022 is as under:

Authorised Share Capital	Amount in INR
1,15,00,000 Equity Shares of ₹ 2/- each	2,30,00,000
20,000 Redeemable Cumulative Preference Shares of ₹ 100/- each	20,00,000
Total	2,50,00,000
Issued, Subscribed and Paid-Up Share Capital	Amount in INR
80,36,000 Equity Shares of ₹ 2/- each	1,60,72,000
Total	1,60,72,000

- 7.3.2 Subsequent to 31st December 2022 and until the date of the Scheme being approved by the Board of Directors of the Resulting Company / Amalgamated Company, there has been no change in the authorised, issued, subscribed and paid-up equity share capital of the Resulting Company / Amalgamated Company.



PART B
DEMERGER OF THE DEMERGED UNDERTAKING AND VESTING OF THE SAME INTO AND WITH THE RESULTING COMPANY

8. DEMERGER OF THE DEMERGED UNDERTAKING OF THE DEMERGED COMPANY AND VESTING OF THE SAME WITH THE RESULTING COMPANY

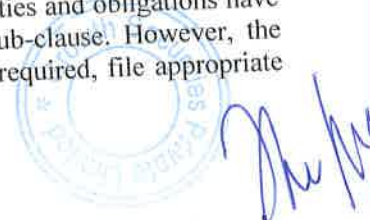
- 8.1 Subject to the provisions of Part B and Part F of this Scheme in relation to the modalities of the demerger of the Demerged Undertaking of the Demerged Company and vesting of the same with the Resulting Company, upon Part B of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, the Demerged Undertaking together with all its assets, liabilities, infrastructures, rights and obligations, properties, benefits and interests therein, shall by virtue of this Part B of this Scheme demerge from the Demerged Company and be, transferred to, and stand vested in, the Resulting Company, and shall become the assets, liabilities, rights, obligations, business and undertaking of the Resulting Company, subject to the existing encumbrances thereon in favour of banks and financial institutions, if any (unless otherwise agreed to by such encumbrance holders), without any further act, instrument or deed being required from the Demerged Company and/or the Resulting Company and without any approval or acknowledgement of any third party, unless otherwise required in terms of Applicable Laws, in accordance with Sections 230 to 232 of the Act read with Section 2(19AA) of the IT Act and all other applicable provisions of Applicable Laws if any, in accordance with the provisions contained herein.
- 8.2 Without prejudice to the generality of the above, in particular, the Demerged Undertaking shall be demerged from the Demerged Company and transferred and vested in the Resulting Company, in the manner described in the sub-paragraphs below, subject to the existing encumbrances in favour of banks and financial institutions, if any (unless otherwise agreed to by such encumbrance holders): -
- (i) Upon Part B of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all the assets (including but not limited to investments) forming part of the Demerged Undertaking, that are movable in nature or incorporeal or intangible in nature or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by transfer or by delivery instructions in relation to dematerialized shares or by vesting and recordal pursuant to the Scheme, including plant, machinery and equipment, shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company and shall become the property and an integral part of the Resulting Company, without any further act, instrument or deed required by either of the Demerged Company and/or the Resulting Company and without any approval or acknowledgement of any third party. The transfer and vesting of the movable assets forming part of the Demerged Undertaking, pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by delivery instructions in relation to dematerialized shares or by vesting and recordal, pursuant to this Part B of this Scheme, as appropriate to the property being transferred and vested and the title to such property shall be deemed to have been transferred and vested accordingly.
 - (ii) Upon Part B of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all other movable properties (except those specified elsewhere in this Clause) forming part of the Demerged Undertaking, including cash and cash equivalents, sundry debts and receivables (including inter-unit receivables, if any, between the undertaking of the Demerged Company engaged in the Stock Broking Business and the undertaking of the Demerged Company engaged in the Remaining Undertaking), outstanding loans and advances, if any, recoverable in cash



Signature

or in kind or for value to be received, actionable claims, bank balances and deposits, if any, with any person or body including without limitation any government, semi-government, local and other authorities and bodies, customers and other persons shall, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party, become vested in, and shall become the property of, the Resulting Company.

- (iii) Upon Part B of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all immovable properties forming part of the Demerged Undertaking, including without limitation, all land together with all buildings and structures standing thereon and all rights and interests therein, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall stand transferred and be vested in and/or be deemed to have been transferred and vested in the Resulting Company and shall become the property and an integral part of the Resulting Company, without any further act, instrument or deed being required from the Demerged Company and/or the Resulting Company and without any approval or acknowledgement of any third party. Upon Part B of the Scheme becoming operative on the Effective Date, the Resulting Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay all rent, charges and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The Resulting Company shall be entitled to seek mutation/substitution of title in its name in such immovable properties, for the purposes of information and record and such mutation / substitution of the title to and interest in such immovable properties shall be made and duly recorded in the name of the Resulting Company, by the appropriate authorities pursuant to the sanction of the Scheme by the Tribunal, in accordance with the terms hereof. However, it is hereby clarified that the absence of any such mutation/substitution shall not adversely affect the rights, title or interest of the Resulting Company in such immovable properties which shall be deemed to have been transferred to the Resulting Company automatically upon the Part B of the Scheme becoming operative on the Effective Date. The Demerged Company shall take all steps as may be necessary to ensure that lawful and peaceful possession, right, title, interest of such immovable properties of the Demerged Undertaking is given to the Resulting Company in accordance with the terms hereof.
- (iv) Upon Part B of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, forming part of the Demerged Undertaking (including inter-unit payables, if any, between the undertaking of the Demerged Company engaged in the Stock Broking Business and the undertaking of the Demerged Company engaged in the Remaining Undertaking), whether provided for or not in the books of accounts of the Demerged Company or disclosed in the balance sheet of the Demerged Company, including general and multipurpose borrowings, if any, dealt with in accordance with Section 2(19AA) of the IT Act, shall become and be deemed to be, the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, without any further act, instrument or deed being required from the Demerged Company and/or the Resulting Company and without any approval or acknowledgement of any third party, unless otherwise required in terms of Applicable Laws. The Resulting Company undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that, unless otherwise required in terms of Applicable Laws, 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 sub-clause. However, the Demerged Company and the Resulting Company shall, if required, file appropriate



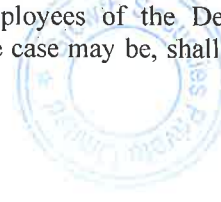
forms with the RoC accompanied by the sanction order of the Tribunal or a certified copy thereof and execute necessary deeds or documents in relation to creation / satisfaction / modification of charges to the satisfaction of the lenders, in relation to the assets being transferred to the Resulting Company as part of the Demerged Undertaking and/or in relation to the assets remaining in the Demerged Company after the demerger and vesting of the Demerged Undertaking in the Resulting Company pursuant to Part B of this Scheme becoming effective in accordance with the terms hereof. The Resulting Company shall be entitled to take the benefit of all duties and charges already paid by the Demerged Company for the creation/modification of any such security interest. Where any of the loans, liabilities and obligations attributed to the Demerged Undertaking have been discharged by the Demerged Company after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been done by the Demerged Company on behalf of the Resulting Company.

- (v) Upon Part B of this Scheme becoming operative from the Effective Date and with effect from the Appointed Date, all incorporeal or intangible property of or in relation to the Demerged Undertaking shall stand transferred to and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company without any further act, instrument or deed required by either the Demerged Company and/or the Resulting Company and without any approval or acknowledgement of any third party.
- (vi) Upon Part B of this Scheme becoming operative from the Effective Date and with effect from the Appointed Date, all letters of intent, memoranda of understanding, memoranda of agreements, tenders, bids, letters of award, expressions of interest, experience and/or performance statements, contracts, deeds, bonds, agreements, guarantees and indemnities, schemes, arrangements, undertakings and other instruments of every nature and description including without limitation, those relating to tenancies, privileges, powers and facilities of every kind and description pertaining to the Demerged Undertaking, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible or under which the Demerged Company is an obligor (except to the extent provided in this Clause) and which are subsisting or having effect immediately prior to Part B of the Scheme coming into effect on the Appointed Date, shall be and shall remain in full force and effect against or in favour of the Resulting Company and may be enforced by or against it as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee or obligor thereto, without any further act, instrument or deed being required from the Demerged Company and/or the Resulting Company and without any approval or acknowledgement of any third party.
- (vii) Upon Part B of the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, all statutory or regulatory licenses and permits, grants, allotments, recommendations, no-objection certificates, permissions, approvals, certificates, consents, quotas, exemptions, clearances (including environmental approvals and consents), tenancies, privileges, powers, offices, facilities, entitlements, rights or registrations (including registrations granted by the SEBI as trading & clearing member and stock broker with identified exchanges, depository participant) granted/available/renewed/applied for, to or by the Demerged Company in relation to the Demerged Undertaking shall stand transferred to and vested in the Resulting Company, without any further act, instrument or deed being required by the Demerged Company and/or the Resulting Company and without any approval or acknowledgement of any third party, unless any filing, compliance and approval requirements arises in the hands of the Demerged Company and/ or the Resulting Company, in terms of Applicable Laws including but not limited to the SEBI Regulations. Upon Part B of the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, the Resulting Company shall be entitled to



all the benefits thereof and shall be liable for all the obligations thereunder. In relation to the same, any procedural requirements required to be fulfilled solely by Demerged Company (and not by any of their successors), shall be fulfilled by the Resulting Company as if it is the duly constituted attorney of the Demerged Company. It is hereby clarified that if the consent or approval (by whatever name called) of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall duly record or provide such consent or approval and shall make the necessary substitution/endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the Tribunal, and upon Part B of this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resulting Company may file appropriate applications/documents with relevant authorities concerned for information and record purposes. However, it is hereby clarified that the absence of any such substitution/endorsement shall not adversely affect the rights, benefits or interest of the Resulting Company which shall be deemed to have been transferred to the Resulting Company automatically upon the Part B of the Scheme becoming effective on the Appointed Date.

- (viii) Upon Part B of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all workmen and employees forming part of the Demerged Undertaking, who are on the payrolls of the Demerged Company and all other personnel employed by the Demerged Company who form part of the Demerged Undertaking shall become employed by the Resulting Company, on such terms and conditions as are no less favourable than those on which they were engaged with the Demerged Company immediately prior to the Effective Date, without any interruption of service as a result of this demerger and transfer. With regard to provident fund, gratuity fund, superannuation fund and any contributions required to be made in relation to employees under any statute or regulation, leave encashment and any other special scheme or benefits created or existing for the benefit of the personnel employed by the Demerged Company immediately prior to Part B of the Scheme coming into effect on the Appointed Date and transferred to the Resulting Company, the Resulting Company shall stand substituted for the Demerged Company for all intents and purposes whatsoever, upon Part B of this Scheme becoming effective on the Appointed Date, including with regard to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents and/or in accordance with the provisions of Applicable Laws or otherwise. All existing contributions made to such schemes and funds and all benefits accrued thereto shall also stand transferred in the name of the Resulting Company and all such benefits and schemes shall be continued by the Resulting Company for the benefit of such personnel employed by the Demerged Company in relation to the Demerged Undertaking and transferred to the Resulting Company, on the same terms and conditions. Further, it is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Demerged Company in relation to such schemes or funds in relation to the employees and workmen forming part of the Demerged Undertaking shall become those of the Resulting Company. It is clarified that the services of all personnel employed by Demerged Company in the Demerged Undertaking, who are entitled to the benefits under such schemes and funds, will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds.
- (ix) Upon Part B of the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, the Resulting Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any labour unions/employees of the Demerged Undertaking by the Demerged Company. The Resulting Company agrees that for the purpose of payment of any future retrenchment compensation, gratuity and other terminal benefits, the past services of such employees of the Demerged Undertaking, if any, with the Demerged Company, as the case may be, shall also be



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taken into account, and agrees and undertakes to pay the same as and when payable. Further, upon Part B of the Scheme coming into effect on the Appointed Date, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee of the Demerged Undertaking by the Demerged Company shall be continued or shall continue to operate against the relevant employee and shall be enforced effectively by the Resulting Company.

- (x) Upon Part B of the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, all rights, entitlements, licenses, applications and registrations relating to trademarks, service marks, copyrights, domain names, brand name, logos, patents and other intellectual property rights of every kind and description, including without limitations, all rights whether registered, unregistered or pending registration, and the goodwill arising therefrom, if any, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible or entitled, and in each case which form part of the Demerged Undertaking, shall stand transferred to and vested in the Resulting Company, and shall become the rights, entitlement or property of the Resulting Company and shall be enforceable by or against the Resulting Company, as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or the holder or owner thereof, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party.
- (xi) Upon Part B of the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, the Resulting Company shall be entitled to the benefit of all insurance policies (if any) which have been issued in respect of Demerged Undertaking and/or any of its assets or employees and the name of the Resulting Company shall stand substituted as the "Insured" in all such policies as if the Resulting Company was originally a party thereto without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party. Further, the Resulting Company shall be entitled to the benefit of all claims filed, prosecuted, proposed to be filed, pending and/or adjudicated in relation to all insurance policies issued in respect of Demerged Undertaking and/or any of its assets or employees.
- (xii) Upon Part B of the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, all taxes and duties of whatsoever description (including but not limited to all carry forward tax losses comprising of unabsorbed depreciation, advance tax payments, TDS, TCS, MAT, securities transaction tax, taxes withheld/paid in a foreign country, customs duty, entry tax, value added tax, GST, sales tax, service tax etc.) payable by or refundable to the Demerged Company in relation to the Demerged Undertaking, including all or any refunds or claims in relation thereto (including unutilized input credits of the Demerged Undertaking) shall be treated as the tax liability or refunds/claims, as the case may be, of the Resulting Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc., as would have been available to the Demerged Company in relation to the Demerged Undertaking, shall pursuant to this Scheme becoming effective, be available to the Resulting Company without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party but in the manner more particularly set out herein below. Upon Part B of the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, all existing and future incentives, un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including MAT), excise (including Modvat/ Cenvat), customs, value added tax, sales tax, service tax to which the Demerged Company is entitled in relation to the Demerged



Undertaking shall be available to and shall stand transferred and vested in the Resulting Company without any further act, instrument or deed required by either the Resulting Company or the Demerged Company and without any approval or acknowledgement of any third party. Upon Part B of the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, any tax deducted at source deducted by or on behalf of the Demerged Company until the Effective Date shall be deemed to have been deducted on behalf of the Resulting Company to the extent of the income attributable to the Demerged Undertaking during such period.

- (xiii) Upon Part B of the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, the Resulting Company shall be entitled to claim the benefit of any and all corporate approvals and limits as may have already been taken by the Demerged Company in relation to the Demerged Undertaking, including without limitation, the approvals and limits under Sections 62, 179, 180, 185, 186, 188 etc., of the Act, until the time the same are duly modified by the Resulting Company.
- (xiv) Upon Part B of the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, all other estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Demerged Undertaking or by the Demerged Company in relation to the Demerged Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Resulting Company and shall, upon Part B of this Scheme coming into effect, pursuant to the provisions of the Act, without any further act, instrument or deed be and stand transferred to or vested in and/or be deemed to have been transferred to or vested in the Resulting Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Resulting Company.
- (xv) Upon Part B of the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, all books, record files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, designs, catalogues, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form in connection with or relating to the Demerged Company pertaining to the Demerged Undertaking shall be deemed to have been transferred to or acquired for and on behalf of the Resulting Company and shall, upon Part B of this Scheme coming into effect, without any further act, instrument or deed be and stand transferred to or vested in and/or be deemed to have been transferred to or vested in the Resulting Company.
- (xvi) Upon Part B of the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, the Resulting Company shall bear the burden and the benefits of any legal, tax, quasi-judicial, administrative, regulatory or other proceedings initiated by or against the Demerged Company in relation to the Demerged Undertaking. If any suit, appeal or other proceeding of whatsoever nature by or against the Demerged Company, in relation to the Demerged Undertaking, shall be pending as on the Effective Date, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the demerger of such Demerged Undertaking and transfer and vesting of the same in the Resulting Company or of anything contained in Part B of this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company in relation to the Demerged Undertaking as if Part B of this Scheme had not been made effective. Upon Part B of the Scheme becoming effective, the Resulting Company undertakes to have such legal or other proceedings initiated by or against the Demerged Company in relation to the



Demerged Undertaking transferred in its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. The Resulting Company also undertakes to handle all legal or other proceedings which may be initiated against the Demerged Company in relation to the Demerged Undertaking, after the Effective Date in its own name and account and further undertakes to pay all amounts including interest, penalties, damages etc., pursuant to such legal/ other proceedings.

- 8.3 Upon Part B of the Scheme becoming operative from the Effective Date with effect from the Appointed Date, the Resulting Company shall be entitled to the benefit of the past experience, accreditation, and/or performance of the Demerged Company, in relation to the Demerged Undertaking, for all purposes without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement being required from any third party. If any instrument or deed or document is required or deemed necessary or expedient to give effect to the provisions of this Clause by the Demerged Company, the Resulting Company shall, under the provisions of Part B of the Scheme, be deemed to be duly authorized to execute all such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on behalf of the Demerged Company.

9. CONDUCT OF AFFAIRS UNTIL THE EFFECTIVE DATE

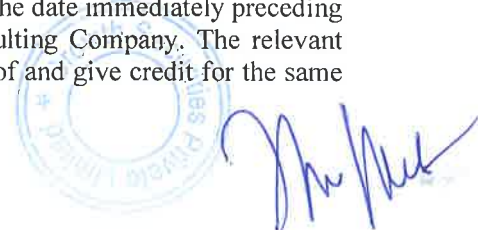
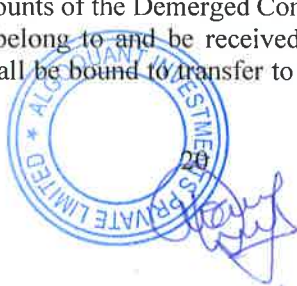
- 9.1 In the event Part B becomes effective from the Appointed Date, up to and including the Effective Date:
- (i) the Demerged Company shall be deemed to have carried on the business activities of the Demerged Undertaking and stand possessed of the properties and assets of the Demerged Undertaking, for, on behalf of and in trust for, the Resulting Company; and
 - (ii) all profits or income accruing to or received by the Demerged Company in relation to the Demerged Undertaking and all taxes paid thereon (including but not limited to advance tax, TDS, TCS, MAT, fringe benefit tax, securities transaction tax, taxes withheld/paid in a foreign country, customs duty, entry tax, value added tax, GST, sales tax, service tax etc.) or losses arising in or incurred by the Demerged Company in relation to the Demerged Undertaking shall, for all purposes, be treated as and deemed to be the profits, income, taxes or losses, as the case may be, of the Resulting Company.
- 9.2 Subject to the provisions of Clause 9.1 hereinabove, in the event any asset, contract, document, liability or property or the rights, interest, obligations and benefits thereof or thereunder (including without limitation, shipping documents, bills of entry, foreign inward remittance certificates and bank realization certificates), which is a part of the Demerged Undertaking does not get automatically transferred to the Resulting Company upon Part B of the Scheme coming into effect on the Appointed Date, the Demerged Company shall take all necessary steps and execute all necessary documents, to ensure the transfer of such asset, contract, document, liability and property or the rights, interest, obligations and benefits thereof and thereunder to the Resulting Company forthwith after the Effective Date without any further consideration and until the transfer of any such asset, the Resulting Company will have the right to use the same without payment of any additional consideration. It is clarified that even after Part B of the Scheme comes into effect on the Appointed Date, the Demerged Company shall, with the written consent of the Resulting Company, be entitled to realize or pay all monies and to complete, enforce or discharge all pending contracts, arrangements or obligations in relation to the Demerged Undertaking in trust and at the sole cost and expense of the Resulting Company in so far as may be necessary until all rights and obligations of the Demerged Company in respect of such pending contracts, arrangements or obligations stand fully devolved to and in favour of the Resulting Company.
- 9.3 The Resulting Company shall also be entitled, pending the sanction of this Scheme, to apply to the central government, state government, and all other agencies, departments, statutory authorities



and Governmental Authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Resulting Company may require including the registration (including but not limited to with SEBI), approvals, exemptions, reliefs, etc., as may be required/granted under any Applicable Law for the time being in force for carrying on the business of the Demerged Undertaking.

10. TREATMENT OF TAXES

- 10.1 Upon Part B of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all taxes and duties payable by the Demerged Company (including under the IT Act, Customs Act, 1962, Central Excise Act, 1944, Integrated Goods and Services Tax Act, 2017 ('IGST'), Central Goods and Services Tax Act, 2017 ('CGST'), and any other State Goods and Services Tax Act, 2017 ('SGST'), the Goods and Services Tax (Compensation to States) Act, 2017 and all other Applicable Laws), accruing and/or relating to, the Demerged Undertaking, for any period falling on or after the Appointed Date, including all advance tax payments, TDS, TCS, MAT and all refunds and claims in relation thereto shall, for all purposes, be treated as advance tax payments, TDS, TCS, MAT or refunds and claims, as the case may be, of the Resulting Company.
- 10.2 Upon Part B of this Scheme becoming operative on the Effective Date, and with effect from the Appointed Date, all unavailed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including TDS, TCS, advance tax, MAT credit etc.), CENVAT, customs, IGST, CGST, SGST etc. relating to the Demerged Undertaking to which Demerged Company is entitled / obligated to, shall be available to and vest in the Resulting Company, without any further act, deed or instrument.
- 10.3 Upon Part B of this Scheme becoming operative on the Effective Date, and with effect from the Appointed Date, Demerged Company and the Resulting Company shall be permitted to revise and file their respective income tax returns, withholding tax returns, including TDS certificates, TDS returns, GST returns and other tax returns for the period commencing on and from the Appointed Date to give effect to the demerger and transfer of the Demerged Undertaking from the Demerged Company to the Resulting Company and any matters connected therewith, and to claim all refunds, credits, etc., pertaining to the Demerged Undertaking, pursuant to the provisions of this Scheme without any further act, deed or instrument or consent or approval of any third party.
- 10.4 The Board of Directors of the Demerged Company shall be empowered to determine if any specific tax liability or any tax proceeding relates to the Demerged Undertaking and therefore is required to be transferred to the Resulting Company.
- 10.5 Upon Part B of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, any TDS withheld / TCS collected, TDS/ TCS deposited, TDS/ TCS certificates issued or TDS/ TCS returns filed by the Demerged Company relating to the Demerged Undertaking shall continue to hold good as if such TDS/ TCS amounts were withheld / collected and deposited, TDS/ TCS certificates were issued, and TDS/ TCS returns were filed by the Resulting Company.
- 10.6 All the expenses incurred by Demerged Company and the Resulting Company in relation to Part B of the Scheme, including stamp duty expenses, if any, shall be allowed as deduction to Demerged Company and the Resulting Company in accordance with the Section 35DD of the IT Act over a period of five (5) years beginning with the previous year in which Part B of the Scheme becomes effective.
- 10.7 Upon Part B of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, any refund under the tax laws due to Demerged Company pertaining to the Demerged Undertaking consequent to the assessments made on Demerged Company and for which no credit is taken in the accounts of the Demerged Company as on the date immediately preceding the Appointed Date shall belong to and be received by the Resulting Company. The relevant Government Authorities shall be bound to transfer to the account of and give credit for the same



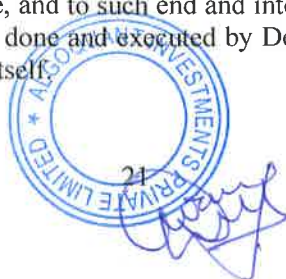
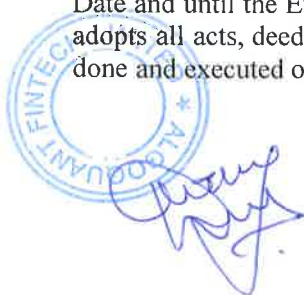
to, the Resulting Company upon this Part B of the Scheme becoming effective upon relevant proof and documents being provided to the said Governmental Authorities.

11. CONDUCT OF AFFAIRS AFTER THE EFFECTIVE DATE

- 11.1 The Resulting Company, shall, at any time after Part B of this Scheme becomes operative on the Effective Date, in accordance with the provisions hereof, if so required under any law, contract or otherwise, be entitled to do and take all such actions as may be required to give full effect to the provisions of this Part B and for this purpose the Resulting Company shall, under the provisions hereof, be deemed to be authorised on behalf of the Demerged Company. Without prejudice to the generality of the above, the Resulting Company shall be, with respect to the Demerged Undertaking, entitled and deemed to be authorised to:-
- (i) execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement (including without limitation any bank guarantee, performance guarantee, fixed deposit, letters of credit, bill of entry etc.) in relation to the Demerged Undertaking, which the Demerged Company have been a party or to the benefit of which the Demerged Company may have been entitled, and to make any filings with the regulatory authorities, in order to give formal effect to the provisions of Part B of the Scheme; and
 - (ii) do all such acts or things as may be necessary to effectually transfer/obtain in favour of the Resulting Company the approvals, consents, bids, awards, tenders, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates etc. which were held or enjoyed by the Demerged Company in relation the Demerged Undertaking including without limitation, execute all necessary or desirable writings and confirmations on behalf of the Demerged Company and to carry out and perform all such acts, formalities and compliances as may be required in this regard.
- 11.2 The provisions of this Clause shall operate notwithstanding anything to the contrary contained in any deed or writing or certificate or license or the terms of sanction or issue or any security, all of which instruments and documents shall stand modified and/or superseded by the foregoing provisions.
- 11.3 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the IT Act. If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with the said provision at a later date whether as a result of a new enactment or any amendment to any existing enactment or the coming into force of any provision of the IT Act or any other law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provision shall prevail and this Scheme (including any parts hereof) may be modified to comply with such laws or may be withdrawn at the discretion of the Board of Directors of the Demerged Company and the Resulting Company. Such modification/withdrawal will however not affect other Parts of the Scheme which have not been so modified or withdrawn.

12. SAVING OF CONCLUDED TRANSACTIONS

- 12.1 Except as expressly provided hereunder in this Scheme, the transfer of properties and liabilities to, and the continuance of proceedings by or against, Resulting Company as envisaged in this Part B shall not affect any transaction or proceedings already concluded by the Demerged Company in relation to the Demerged Undertaking on or before the Appointed Date and after the Appointed Date and until the Effective Date, and to such end and intent the Resulting Company accepts and adopts all acts, deeds and things done and executed by Demerged Company in respect thereto as done and executed on behalf of itself.



13. DISCHARGE OF CONSIDERATION

- 13.1 Upon Part B of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, in consideration for the demerger of the Demerged Undertaking from the Demerged Company and vesting into and with the Resulting Company, the Board of Directors (including any committee thereof) of the Demerged Company in consultation with Board of Directors (including any committee thereof) of Resulting Company shall determine a record date, for the purpose of determining the members of the Demerged Company, to whom shares in the Resulting Company will be allotted under the Scheme ("**Part B Record Date**"). The Resulting Company shall issue and allot, its equity shares having face value of INR 2 each to the shareholders of the Demerged Company as on the Part B Record Date ("**Part B New Equity Shares**"), whose names appear in the Register of Members (or records of the registrar and transfer agent) of the Demerged Company.
- 13.2 Based on (i) the valuation report issued by Mr. Manish Manwani, Registered Valuer (Securities or Financial Assets) IBBI Registration No. – IBBI/RV/03/2021/14113, dated March 09, 2023, appointed by both, the Demerged Company and the Resulting Company, and (ii) the fairness opinion issued by BOB Capital Markets Limited, an independent SEBI registered Category-I merchant banker on such valuation, dated 10th March 2023, appointed by both, the Demerged Company and the Resulting Company, the Board of Directors of the Demerged Company and the Resulting Company have determined the following share exchange ratio for issue of Part B New Equity Shares:
- "727 (Seven Hundred Twenty Seven) equity shares of AFL of INR 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares of GSPL of INR 10.00/- each, fully paid-up."*
- 13.3 In case of any fractional entitlement of shares arising out of the aforesaid share exchange ratio, the Board of Directors (including any committee thereof) of Resulting Company shall consolidate all such fractional entitlements and shall round up the aggregate of such fractions to the next whole number and issue consolidated Part B New Equity Shares to a trustee nominated by the Board of Directors of Resulting Company (the "**Trustee**"), who shall hold such Part B New Equity Shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price and on such time within ninety (90) days from the date of allotment, as the Trustee may in its sole discretion decide and on such sale, pay to the Resulting Company, the net sale proceeds (after deduction of applicable taxes and cost incurred) thereof and any additions and accretions, whereupon the Resulting Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Demerged Company in proportion to their respective fractional entitlements..
- 13.4 In the event of any increase in the issued, subscribed or paid up share capital of the Demerged Company or the Resulting Company or issuance of any instruments convertible into equity shares or restructuring of its equity share capital including by way of share split/consolidation/issue of bonus shares, free distribution of shares or instruments convertible into equity shares or other similar actions in relation to share capital of the Demerged Company or the Resulting Company at any time before the Part B Record Date, the share exchange ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.
- 13.5 The Part B New Equity Shares of the Resulting Company issued as per this Clause shall be subject to the Memorandum and Articles of Association of Resulting Company and shall rank *pari passu* in all respects, including dividend and voting rights, with the existing equity shares of the Resulting

Company.

- 13.6 On the approval of Part B of the Scheme by the members of the Resulting Company pursuant to Sections 230 to 232 of the Act, it shall be deemed that the members of the Resulting Company have also accorded their consent under Sections 42 and 62 of the Act and the applicable rules and regulations issued thereunder for the aforesaid issuance of equity shares of the Resulting Company, to the shareholders of the Demerged Company, and all actions taken in accordance with this Clause of this Scheme shall be deemed to be in full compliance of Sections 42 and 62 of the Act and other applicable provisions of the Act and no further resolution or actions under Sections 42 and 62 of the Act or the rules and regulations issued thereunder, including, *inter alia*, issuance of a letter of offer by the Resulting Company shall be required to be passed or undertaken.
- 13.7 In accordance with the regulatory requirements, all Part B New Equity Shares required to be issued by the Resulting Company to the shareholders of the Demerged Company shall be issued in dematerialized form and shall be credited to the depository account of the equity shareholders of the Demerged Company to the extent the details of such depository participant accounts have been provided to/are available with the Demerged Company as of the Part B Record Date.
- 13.8 For the purpose of allotment of Part B New Equity Shares of Resulting Company, in case any shareholder of the Demerged Company on the Part B Record Date holds equity shares in the Demerged Company in physical form and/or details of the depository participant account of such shareholder have not been provided to the Demerged Company as of the Part B Record Date, the Resulting Company shall not issue its equity shares to such shareholder but shall subject to Applicable Laws, issue the corresponding number of equity shares in dematerialized form, to a demat account held by a trustee nominated by the Board of Directors of the Resulting Company or into a suspense account opened in the name of the Resulting Company with a depository participant or into an escrow account opened by the Resulting Company with a depository, as determined by the Board of Directors of the Resulting Company. The equity shares of the Resulting Company so held in a trustee's account or suspense account or escrow account, as the case may be, shall be transferred to the respective shareholder as per his entitlement once such shareholder provides details of his / her / its depository participant account to the Resulting Company in accordance with Applicable Laws, along with such documents as maybe required under Applicable Laws.
- 13.9 In terms of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relevant listing agreement, SEBI Scheme Circular and other Applicable Laws, if any, in each case, as amended, Part B New Equity Shares to be issued by the Resulting Company to the Shareholders of the Demerged Company, pursuant to this Scheme, shall be listed on all the Stock Exchanges on which the equity shares of the Resulting Company are listed as on the Effective Date. The Resulting Company will make necessary application(s) to the designated stock exchange and other competent authorities, if any, for this purpose and will comply with the provisions of all Applicable Laws in this regard.
- 13.10 Shares allotted pursuant to this Scheme may remain frozen in the Depositories system till listing/trading permission is given by the Stock Exchanges.
- 13.11 The Board of Directors (including any committee thereof) of Demerged Company and the Resulting Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Resulting Company on account of the difficulties if any in the transition period.

14. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY

Upon Part B the Scheme becoming effective and with effect from the Appointed Date, the transfer of the Demerged Undertaking shall be accounted for in the books of the Demerged Company in accordance with applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 and/or generally accepted accounting principles in India. Accordingly, Demerged Company shall provide the following accounting treatment in its books of accounts:



- (i) The Demerged Company, as on Appointed Date shall reduce the carrying value of all assets and liabilities including reserves, pertaining to the Demerged Undertaking transferred to the Resulting Company from its books of accounts.
- (ii) the inter-corporate deposits/ loans and advances/ balances outstanding between the Demerged Undertaking of the Demerged Company and the Resulting Company, if any, shall stand cancelled and thereafter there shall be no obligation in that behalf;
- (iii) The difference between the carrying value of assets and liabilities including reserves, pertaining to the Demerged Undertaking of the Demerged Company, transferred to the Resulting Company, and post giving effect to clause 14(ii) above shall be adjusted against the capital reserve of the Demerged Company.
- (iv) Any negative capital reserve pursuant to the accounting as per Clause 14(iii) above shall be adjusted against the retained earnings in the books of the Demerged Company.
- (v) For any matter not specifically addressed above, the Board of Directors of Demerged Company is authorized to account for the balances in the manner, as may be deemed fit, in accordance with the prescribed Accounting Standards issued by the Central Government as may be amended from time to time and the Generally Accepted Accounting Principles in India.

15. ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY

Upon Part B of the Scheme becoming effective, with effect from the Appointed Date, transfer of the Demerged Undertaking shall be accounted for in the books of the Resulting Company using the "Pooling of interests" method in accordance with Appendix C to Ind AS 103 — Business combinations of entities under common control, prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time. Accordingly, the Resulting Company shall provide the following accounting treatment in its books of accounts:

- (i) Upon coming into effect of this Scheme, Resulting Company shall record the assets and liabilities including reserves, of the Demerged Undertaking vested in it pursuant to this Scheme, at their respective carrying values as appearing in the books of accounts of the Demerged Company
- (ii) The inter-company deposits/ loans and advances/ payables & receivables/ balances outstanding between the Demerged Undertaking of the Demerged Company and the Resulting Company, if any, shall stand cancelled and thereafter there shall be no obligation in that behalf;
- (iii) The Resulting Company shall credit to its share capital and record the Part B New Equity Shares issued and allotted by it pursuant to Clause 13 of the Scheme.
- (iv) The difference, if any, between the carrying value of assets and liabilities including reserves, under Clause 15(i) above transferred to the Resulting Company, further taking into consideration the impact of clause 15 (ii), and the consideration discharged by way of the Part B New Equity Shares issued as per Clause 15(iii) above to the shareholders of the Demerged Company in lieu of the acquisition of Demerged Undertaking, shall be recorded as capital reserve in the books of the Resulting Company (debit or credit, as the case may be).
- (v) The Resulting Company shall record in its books of accounts, all transactions relating to the Demerged Undertaking of the Demerged Company in respect of assets, liabilities including reserves, income and expenses from the Appointed Date to the Effective Date;



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- (vi) In case of any differences in accounting policy between the Demerged Company and the Resulting Company, the accounting policies of the Resulting Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the capital reserves to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policy.
- (vii) Notwithstanding the above, the Board of Directors of the Resulting Company, is authorized to record assets, liabilities and reserves and surplus in compliance with prevailing accounting standards.



PART C

AMALGAMATION OF AMALGAMATING COMPANY INTO AND WITH AMALGAMATED COMPANY, REDUCTION IN SHARE CAPITAL OF THE AMALGAMATED COMPANY AND DISSOLUTION OF AMALGAMATING COMPANY

16. AMALGAMATION OF AMALGAMATING COMPANY INTO AND WITH THE AMALGAMATED COMPANY

- 16.1 Subject to the provisions of Part C and Part F of this Scheme in relation to the modalities of amalgamation, upon Part C of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, the Amalgamating Company along with all its assets, liabilities, rights and obligations and its entire business and undertakings, including all its properties, rights, benefits and interests therein, shall by virtue of this Part C of the Scheme stand amalgamated with, transferred to and vested in the Amalgamated Company, and shall become the assets, liabilities, rights, obligations, business and undertakings of the Amalgamated Company, subject to the existing encumbrances thereon in favour of banks and financial institutions, if any (unless otherwise agreed to by such encumbrance holders), without any further act, instrument or deed being required from the Amalgamating Company and/or the Amalgamated Company and without any approval or acknowledgement of any third party, in accordance with Sections 230 to 232 of the Act read with Section 2(1B) of the IT Act and all other applicable provisions of law if any, in accordance with the provisions contained herein.
- 16.2 Without prejudice to the generality of the above, in particular, the Amalgamating Company shall stand amalgamated with the Amalgamated Company in the manner described in the sub-paragraphs below, subject to the existing encumbrances in favour of banks and financial institutions, if any (unless otherwise agreed to by such encumbrance holders):-
- (i) Upon Part C of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all the assets (including investments) of the Amalgamating Company, that are movable in nature or incorporeal or intangible in nature or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by transfer or by delivery instructions in relation to dematerialized shares or by vesting and recordal pursuant to the Scheme, including plant, machinery and equipment, shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Amalgamated Company and shall become the property and an integral part of the Amalgamated Company, without any further act, instrument or deed required by either of the Amalgamating Company or the Amalgamated Company and without any approval or acknowledgement of any third party. The transfer and vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by delivery instructions in relation to dematerialized shares or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being transferred and vested and the title to such property shall be deemed to have been transferred and vested accordingly.
- (ii) Upon Part C of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, any and all other movable properties of the Amalgamating Company (except those specified elsewhere in this Clause), including cash and cash equivalents, sundry debts and receivables, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any, with any person or body including without limitation any government, semi-government,



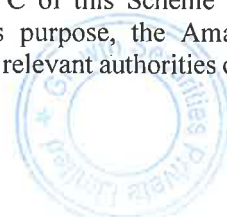
local and other authorities and bodies, customers and other persons shall, without any further act, instrument or deed required by either of the Amalgamating Company or the Amalgamated Company and without any approval or acknowledgement of any third party, become the property of the Amalgamated Company.

- (iii) Upon Part C of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all immovable properties of the Amalgamating Company, including without limitation, all land together with all buildings and structures standing thereon and all rights and interests therein, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred and be vested in and/or be deemed to have been transferred vested in the Amalgamated Company and shall become the property and an integral part of the Amalgamated Company, without any further act, instrument or deed being required from the Amalgamating Company and/or the Amalgamated Company and without any approval or acknowledgement of any third party. Upon Part C of the Scheme becoming operative on the Effective Date, the Amalgamated Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay all rent, charges and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The Amalgamated Company shall be entitled to seek mutation/substitution of title in its name in such immovable properties, for the purposes of information and record and such mutation / substitution of the title to and interest in such immovable properties shall be made and duly recorded in the name of the Amalgamated Company, by the appropriate authorities pursuant to the sanction of the Scheme by the Tribunal and Part C of the Scheme becoming operative on the Effective Date in accordance with the terms hereof. However, it is hereby clarified that the absence of any such mutation/substitution shall not adversely affect the rights, title or interest of the Amalgamated Company in such immovable properties which shall be deemed to have been transferred to the Amalgamated Company automatically upon the Part C of the Scheme becoming effective on the Effective Date.
- (iv) Upon Part C of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts of the Amalgamating Company or disclosed in the balance sheets of the Amalgamating Company shall become and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Amalgamated Company without any further act, instrument or deed being required from the Amalgamating Company and/or the Amalgamated Company and without any approval or acknowledgement of any third party. The Amalgamated Company undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified 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 sub-clause. However, the Amalgamated Company shall, if required, file appropriate forms with the RoC accompanied by the sanction order of the Tribunal or a certified copy thereof and execute necessary deeds or documents in relation to creation/satisfaction/modification of charges to the satisfaction of the lenders, pursuant to Part C of this Scheme becoming effective in accordance with the terms hereof. The Amalgamated Company shall be entitled to take the benefit of all duties and charges already paid by the Amalgamating Company for the creation/modification of any such security interest. Where any of the loans, liabilities and obligations have been discharged by the Amalgamating Company after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been done by the Amalgamating Company for and on behalf of the Amalgamated Company.
- (v) Upon Part C of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all loans, advances, trade receivables and other obligations or liabilities due from, or any guarantees or similar obligations undertaken on behalf of the



Amalgamating Company to / by the Amalgamated Company or *vice versa*, if any, and all contracts between the Amalgamating Company and the Amalgamated Company shall stand automatically cancelled and terminated and shall be of no effect, without any further act, instrument or deed being required from either the Amalgamating Company and/or the Amalgamated Company and without any approval or acknowledgement of any third party. Unless otherwise required under Applicable Laws, no further taxes, fees, duties or charges shall be required to be paid by the Amalgamated Company on account of such cancellation or termination.

- (vi) Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all incorporeal or intangible property of or in relation to the Amalgamating Company shall stand transferred to and vested in the Amalgamated Company, and shall become the property and an integral part of the Amalgamated Company without any further act, instrument or deed required by either the Amalgamating Company and/or the Amalgamated Company and without any approval or acknowledgement of any third party.
- (vii) Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all letters of intent, memoranda of understanding, memoranda of agreements, tenders, bids, letters of award, expressions of interest, experience and/or performance statements, contracts, deeds, bonds, agreements, guarantees and indemnities, schemes, arrangements, undertakings and other instruments of every nature and description including without limitation, those relating to tenancies, privileges, powers and facilities of every kind and description, to which the Amalgamating Company is a party or to the benefit of which the Amalgamating Company may be eligible or under which the Amalgamating Company is an obligor (except to the extent provided in this Clause) and which are subsisting or having effect immediately prior to Part C of the Scheme becoming operative on the Effective Date, shall be and shall remain in full force and effect against or in favour of the Amalgamated Company and may be enforced by or against it as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee or obligor thereto, without any further act, instrument or deed being required from the Amalgamating Company and/or the Amalgamated Company and without any approval or acknowledgement of any third party.
- (viii) Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all statutory or regulatory licenses, registrations and permits including without limitation, all such licenses, registrations and permits as set out in, grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, certificates, consents, quotas, exemptions, clearances, tenancies, privileges, powers, offices, facilities, entitlements or rights granted/available/renewed/applied for, to or by the Amalgamating Company shall stand transferred to and vested in the Amalgamated Company, without any further act, instrument or deed being required by the Amalgamating Company and/or the Amalgamated Company and without any approval or acknowledgement of any third party. Upon Part C of the Scheme becoming operative on the Effective Date, the Amalgamated Company shall be entitled to all the benefits thereof, and shall be liable for all the obligations thereunder. In relation to the same, any procedural requirements required to be fulfilled solely by Amalgamating Company (and not by any of their successors), shall be fulfilled by the Amalgamated Company as if it is the duly constituted attorney of the Amalgamating Company. It is hereby clarified that if the consent or approval (by whatever name called) of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall duly record provide such consent or approval and shall make the necessary substitution/endorsement in the name of the Amalgamated Company pursuant to the sanction of this Scheme by the Tribunal, and upon Part C of this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Amalgamated Company may file appropriate applications/documents with relevant authorities concerned



for information and record purposes. However, it is hereby clarified that the absence of any such substitution/endorsement shall not adversely affect the rights, benefits or interest of the Amalgamated Company which shall be deemed to have been transferred to the Amalgamated Company automatically upon the Part C of the Scheme becoming operative on the Effective Date.

- (ix) Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all workmen and employees of the Amalgamating Company, who are on its payrolls and all other personnel employed by the Amalgamating Company shall become employed by the Amalgamated Company with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they were engaged with the Amalgamating Company immediately prior to the Effective Date, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity fund, superannuation fund and any contributions required to be made in relation to employees under any statute or regulation, leave encashment and any other special scheme or benefits created or existing for the benefit of the personnel employed by the Amalgamating Company immediately prior to Part C of the Scheme becoming operative on the Effective Date and transferred to the Amalgamated Company, the Amalgamated Company shall stand substituted for the Amalgamating Company for all intents and purposes whatsoever, upon Part C of this Scheme becoming operative on the Effective Date, including with regard to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents and/or in accordance with the provisions of Applicable Laws or otherwise. All existing contributions made to such schemes and funds and all benefits accrued thereto shall also stand transferred in the name of the Amalgamated Company and all such benefits and schemes shall be continued by the Amalgamated Company for the benefit of such personnel employed by the Amalgamating Company and transferred to the Amalgamated Company, on the same terms and conditions. Further, it is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Amalgamating Company in relation to such schemes or funds shall become those of the Amalgamated Company. It is clarified that the services of all personnel employed by the Amalgamating Company who are entitled to the benefits under such schemes and funds, will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds.
- (x) Upon Part C of the Scheme becoming operative on the Effective Date the Amalgamated Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any labour unions/employees by the Amalgamating Company. The Amalgamated Company agrees that for the purpose of payment of any future retrenchment compensation, gratuity and other terminal benefits, the past services of such employees, if any, with the Amalgamating Company, as the case may be, shall also be taken into account, and agrees and undertakes to pay the same as and when payable. Further, upon Part C of the Scheme becoming operative on the Effective Date, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee by the Amalgamating Company shall be continued or shall continue to operate against the relevant employee and shall be enforced effectively by the Amalgamated Company.
- (xi) Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all rights, entitlements, licenses, applications and registrations relating to trademarks, service marks, copyrights, domain names, brand name, logos, patents and other intellectual property rights of every kind and description, including without limitations, whether registered, unregistered or pending registration, and the goodwill arising therefrom, if any, to which the Amalgamating Company is a party or to the benefit of which the Amalgamating Company may be eligible or entitled, shall stand transferred to and vested in the Amalgamated Company, and shall become the rights, entitlement or property of the Amalgamated Company and shall be enforceable by or against the

Amalgamated Company, as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto or the holder or owner thereof, without any further act, instrument or deed required by either of the Amalgamating Company or the Amalgamated Company and without any approval or acknowledgement of any third party.

- (xii) Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, the Amalgamated Company shall be entitled to the benefit of all insurance policies (if any) which have been issued in respect of Amalgamating Company and/or any of its assets or employees and the name of the Amalgamated Company shall stand substituted as the "Insured" in all such policies as if the Amalgamated Company was originally a party thereto without any further act, instrument or deed required by either of the Amalgamating Company or the Amalgamated Company and without any approval or acknowledgement of any third party. Further, the Amalgamated Company shall be entitled to the benefit of all claims filed, prosecuted, proposed to be filed, pending and/or adjudicated in relation to all insurance policies issued in respect of Amalgamating Company and/or any of its assets or employees.
- (xiii) Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all taxes and duties of whatsoever description (including but not limited to all carry forward tax losses comprising of unabsorbed depreciation, advance tax payments, TDS, TCS, MAT, securities transaction tax, taxes withheld/paid in a foreign country, customs duty, entry tax, value added tax, GST, sales tax, service tax etc.) payable by or refundable to the Amalgamating Company, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Amalgamated Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc., as would have been available to the Amalgamating Company, shall pursuant to this Scheme becoming effective, be available to the Amalgamated Company without any further act, instrument or deed required by either of the Amalgamating Company or the Amalgamated Company and without any approval or acknowledgement of any third party but in the manner more particularly set out herein below. Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all existing and future incentives, un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including MAT), excise (including Modvat/ Cenvat), customs, value added tax, sales tax, service tax to which the Amalgamating Company is entitled shall be available to and shall stand transferred and vested in the Amalgamated Company without any further act, instrument or deed required by either the Amalgamated Company or the Amalgamating Company and without any approval or acknowledgement of any third party. Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, any TDS deducted/ TCS collected by or on behalf of the Amalgamating Company until the Effective Date shall be deemed to have been deducted/ collected on behalf of the Amalgamated Company.
- (xiv) Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, the Amalgamated Company shall be entitled to claim the benefit of any and all corporate approvals and limits as may have already been taken by the Amalgamating Company, including without limitation, the approvals and limits under Sections 62, 179, 180, 185, 186, 188 etc., of the Act, until the time the same are duly modified by the Amalgamated Company.
- (xv) Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all other estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Amalgamating Company shall be deemed to have been accrued to and/or acquired for and on behalf of the Amalgamated Company and shall, upon Part C of this Scheme coming into effect, pursuant to the provisions of the Act, without any further act, instrument or deed be and stand transferred to or vested in and/or be deemed

to have been transferred to or vested in the Amalgamated Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Amalgamated Company.

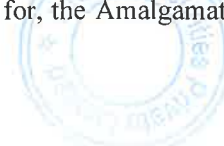
- (xvi) Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all books, record files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, designs, catalogues, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form in connection with or relating to the Amalgamating Company shall be deemed to have been transferred to or acquired for and on behalf of the Amalgamated Company and shall, upon Part C of this Scheme coming into effect, without any further act, instrument or deed be and stand transferred to or vested in and/or be deemed to have been transferred to or vested in the Amalgamated Company.
- (xvii) Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, the Amalgamated Company shall bear the burden and the benefits of any legal, tax, quasi-judicial, administrative, regulatory or other proceedings initiated by or against the Amalgamating Company. If any suit, appeal or other proceeding of whatsoever nature by or against the Amalgamating Company shall be pending as on the Effective Date, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the merger of such Amalgamating Company and transfer and vesting of the same in the Amalgamated Company or of anything contained in Part C of this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Amalgamated Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Amalgamating Company as if Part C of this Scheme had not been made effective. Upon Part C of the Scheme becoming effective, the Amalgamated Company undertakes to have such legal or other proceedings initiated by or against the Amalgamating Company transferred in its name and to have the same continued, prosecuted and enforced by or against the Amalgamated Company to the exclusion of the Amalgamating Company. The Amalgamated Company also undertakes to handle all legal or other proceedings which may be initiated against the Amalgamating Company after the Effective Date in its own name and account and further undertakes to pay all amounts including interest, penalties, damages etc., pursuant to such legal/ other proceedings.

- 16.3 Upon Part C of the Scheme becoming operative on the Effective Date with effect from the Appointed Date, the Amalgamated Company shall be entitled to the benefit of the past experience, accreditation and/or performance of the Amalgamating Company for all purposes without any further act, instrument or deed required by either of the Amalgamating Company or the Amalgamated Company and without any approval or acknowledgement being required from any third party. If any instrument or deed or document is required or deemed necessary or expedient to give effect to the provisions of this Clause by the Amalgamated Company, the Amalgamated Company shall, under the provisions of Part C of the Scheme, be deemed to be duly authorized to execute all such writings on behalf of the Amalgamating Company and to carry out or perform all such formalities or compliances referred to above on behalf of the Amalgamating Company.

17. CONDUCT OF AFFAIRS UNTIL THE EFFECTIVE DATE

- 17.1 In the event Part C of this Scheme becomes operative and with effect from the Appointed Date and up to and including the Effective Date:

- (i) the Amalgamating Company shall be deemed to have carried on the business activities of the Amalgamating Company and stand possessed of the properties and assets of the Amalgamating Company, for, on behalf of and in trust for, the Amalgamated Company;

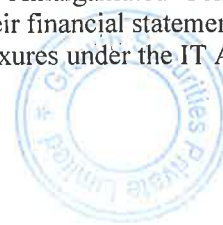
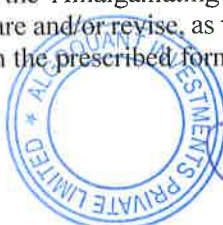


and

- (ii) all profits or income accruing to or received by the Amalgamating Company and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, tax collected at source, minimum alternate tax, fringe benefit tax, securities transaction tax, taxes withheld/paid in a foreign country, customs duty, entry tax, value added tax, goods and services tax, sales tax, service tax etc.) or losses arising in or incurred by the Amalgamating Company shall, for all purposes, be treated as and deemed to be the profits, income, taxes or losses, as the case may be, of the Amalgamated Company.
- 17.2 The Amalgamated Company shall also be entitled, pending the sanction of this Scheme, to apply to the central government, state government, and all other agencies, departments, statutory authorities and Governmental Authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Amalgamated Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required/granted under any Applicable Law for the time being in force for carrying on the business of the Amalgamating Company.

18. TREATMENT OF TAXES

- 18.1 Upon Part C of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, any surplus in the provision for taxation/ duties/ levies account including but not limited to the advance tax, TDS or TCS and MAT credit, CENVAT credit or, GST Credit, as on the date immediately preceding the Appointed Date will also be transferred from the Amalgamating Company to the Amalgamated Company. Any refund under the IT Act or other Applicable Laws dealing with taxes/ duties/ levies, including GST, allocable or related to the business of Amalgamating Company or due to the Amalgamating Company, consequent to the assessment made in respect of the Amalgamating Company, for which no credit is taken in the book of accounts of the Amalgamating Company as on the date immediately preceding the Appointed Date, shall also belong to and be received by the Amalgamated Company and shall be deemed to have been on account of or paid by the Amalgamated Company and the relevant Governmental Authorities shall be bound to transfer to the account of and give credit for the same to the Amalgamated Company upon the approval of this Scheme by the Tribunal and upon relevant proof and documents being provided to the said authorities.
- 18.2 Without prejudice to the generality of the above, deductions, benefits, right to carry forward and set off accumulated losses and unabsorbed depreciation, and credits (including but not limited to MAT/CENVAT credits etc.) under the IT Act, Goods and Services Tax or Service Tax, any other central government / state government incentive schemes etc., to which the Amalgamating Company are/ would be entitled to in terms of the Applicable Laws of the central and state government or of any foreign jurisdictions, shall be available to and vest in the Amalgamated Company.
- 18.3 Upon Part C of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, the tax payments (including without limitation income tax, GST, tax on distribution of dividends, excise duty, central sales tax, custom duty, applicable state value added tax and entry tax or any other taxes as may be applicable from time to time) whether by way of tax deducted at source or collected at source by the parties, advance tax or otherwise howsoever, by the Amalgamating Company on or after the Appointed Date, shall be deemed to be paid by the Amalgamated Company and the Amalgamated Company shall be entitled to claim credit for such taxes/duties paid against its tax/ duty liabilities, notwithstanding that the certificates/ challans or other documents for payment of such taxes/duties are in the name of Amalgamating Company.
- 18.4 Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, the Amalgamating Company and the Amalgamated Company are expressly permitted to prepare and/or revise, as the case may be, their financial statements and statutory / tax returns along with the prescribed forms, filings and annexures under the IT Act and/or in relation



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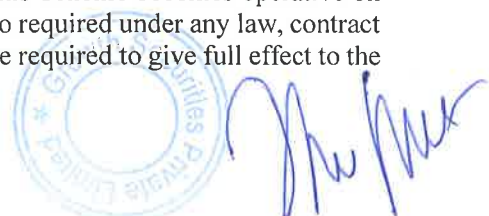
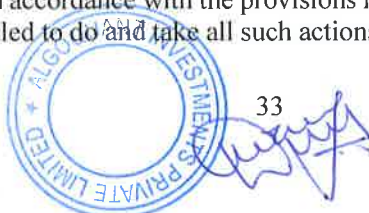
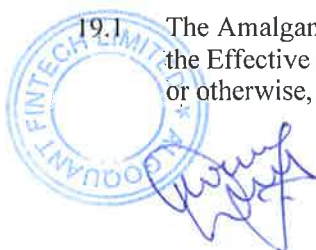
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to central sales tax, custom duty, entry tax, applicable state value added tax, GST and other tax laws, if required, to give effect to the provisions of the Scheme.

- 18.5 Upon Part C of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all inter-party transactions between Amalgamating Company and the Amalgamated Company shall be considered as intra-party transactions for all purposes (including for tax compliances, credits, refunds, etc.).
- 18.6 Upon Part C of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, obligation for deduction of tax at source on any payment made by or to be made by the Amalgamating Company or for collection of tax at source on any supplies made by or to be made by Amalgamating Company shall be made or deemed to have been made and duly complied with by the Amalgamated Company. Further, any tax deducted at source or collected at source by the Amalgamating Company and Amalgamated Company on transactions with each other, if any (from the Appointed Date until Effective Date) and deposited with Governmental Authorities shall be deemed to be advance tax paid by the Amalgamated Company and shall, in all proceedings be dealt with accordingly.
- 18.7 Upon Part C the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all tax compliances under any tax laws by the Amalgamating Company on or after the Appointed Date shall be deemed to be made by the Amalgamated Company.
- 18.8 Upon Part C of this Scheme becoming operative from the Effective Date and with effect from the Appointed Date, all tax assessment proceedings and appeals of whatsoever nature by or against the Amalgamating Company, pending or arising as at the Effective Date, shall be continued and/enforced by or against the Amalgamated Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Amalgamating Company. Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by the reason of the amalgamation of the Amalgamating Company with the Amalgamated Company or anything contained in Part C of this Scheme.
- 18.9 Upon Part C of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all the expenses incurred by the Amalgamating Company and the Amalgamated Company in relation to the amalgamation of the Amalgamating Company with the Amalgamated Company as per this Scheme, including stamp duty expenses and / or transfer charges, if any, shall be allowed as deduction to Amalgamated Company in accordance with Section 35DD of the IT Act over a period of 5 (five) years beginning with the previous year in which Part C of the Scheme becomes effective.
- 18.10 Upon Part C of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all the deductions otherwise admissible to the Amalgamating Company, including payment admissible on actual payment or on deduction of appropriate taxes or on payment of TDS (like Section 43B, Section 40, Section 40A etc. of the IT Act) will be eligible for deduction to the Amalgamated Company upon fulfilment of required conditions under the IT Act.
- 18.11 The amalgamation under this Scheme is in compliance with the IT Act, specifically Section 2(1B) of the IT Act and other relevant provisions thereunder. If any of the terms of this Scheme are inconsistent with the provisions of Sections 2(1B) of the IT Act, the provisions of Sections 2(1B) of the IT Act shall to the extent of such inconsistency, prevail and this Scheme shall, stand and be deemed to be modified to that extent to comply with the said provisions and such modifications shall not affect the other Parts of this Scheme.

19. CONDUCT OF AFFAIRS AFTER THE EFFECTIVE DATE

- 19.1 The Amalgamated Company, shall, at any time after Part C of this Scheme becomes operative on the Effective Date, in accordance with the provisions hereof, if so required under any law, contract or otherwise, be entitled to do and take all such actions as may be required to give full effect to the



provisions of this Part C and for this purpose the Amalgamated Company shall, under the provisions hereof, be deemed to be authorised on behalf of the Amalgamating Company. Without prejudice to the generality of the above, the Amalgamated Company shall be entitled and deemed to be authorised to:-

- (i) execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement (including without limitation any bank guarantee, performance guarantee, fixed deposit, letters of credit, bill of entry etc.) in relation to which the Amalgamating Company have been a party or to the benefit of which the Amalgamating Company may have been entitled, and to make any filings with the Governmental Authorities, in order to give formal effect to the provisions of Part C of the Scheme; and
- (ii) do all such acts or things as may be necessary to effectually transfer/obtain in favour of the Amalgamated Company the approvals, consents, bids, awards, tenders, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates etc. which were held or enjoyed by the Amalgamating Company including without limitation, execute all necessary or desirable writings and confirmations on behalf of the Amalgamating Company and to carry out and perform all such acts, formalities and compliances as may be required in this regard.

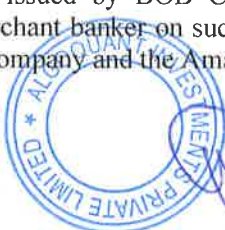
- 19.2 The provisions of this Clause shall operate notwithstanding anything to the contrary contained in any deed or writing or certificate or license or the terms of sanction or issue or any security, all of which instruments and documents shall stand modified and/or superseded by the foregoing provisions.

20. SAVING OF CONCLUDED TRANSACTIONS

Except as expressly provided hereunder in this Scheme, the transfer of properties and liabilities to, and the continuance of proceedings by or against, the Amalgamated Company as envisaged in this Part C shall not affect any transaction or proceedings already concluded by the Amalgamating Company on or before the Appointed Date and after the Appointed Date and until the Effective Date, and to such end and intent the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by the Amalgamating Company in respect thereto as done and executed on behalf of itself.

21. DISCHARGE OF CONSIDERATION

- 21.1 Upon Part C of the Scheme becoming operative on the Effective Date, and upon the amalgamation of the Amalgamating Company into and with the Amalgamated Company, the Board of Directors (including any committee thereof) of the Amalgamating Company shall determine a record date in consultation with Board of Directors (including any committee thereof) of Amalgamated Company, for the purpose of determining the members of the Amalgamating Company to whom shares in the Amalgamated Company will be allotted under the Scheme ("**Part C Record Date**"). The Amalgamated Company shall issue and allot, its equity shares having face value of INR 2 each to the shareholders of the Amalgamating Company as on the Part C Record Date ("**Part C New Equity Shares**"), whose names appear in the Register of Members (or records of the registrar and transfer agent) of the Amalgamating Company.
- 21.2 Based on (i) the valuation report issued by Mr. Manish Manwani, Registered Valuer (Securities or Financial Assets) IBBI Registration No. – IBBI/RV/03/2021/14113, dated 09th March 2023, appointed by both, the Amalgamating Company and the Amalgamated Company; and (ii) the fairness opinion issued by BOB Capital Markets Limited, an independent SEBI registered Category – I merchant banker on such valuation, dated 10th March 2023, appointed by both, the Amalgamating Company and the Amalgamated Company, the Board of directors have determined



the following share exchange ratio for issue of Part C New Equity Shares:

"8278 (Eight Thousand Two Hundred Seventy Eight) equity shares of AFL of INR 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares AIPL of INR 100.00/- each, fully paid-up.."

- 21.3 In case of any fractional entitlement of shares arising out of the aforesaid share exchange ratio, the Board of Directors (including any committee thereof) of Amalgamated Company shall consolidate all such fractional entitlements and shall round up the aggregate of such fractions to the next whole number and issue consolidated Part C New Equity Shares to a trustee nominated by the Board of Directors of Amalgamated Company (the "**Trustee**"), who shall hold such Part C New Equity Shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price and on such time within ninety (90) days from the date of allotment, as the Trustee may in its sole discretion decide and on such sale, pay to the Transferee Company, the net sale proceeds (after deduction of applicable taxes and cost incurred) thereof and any additions and accretions, whereupon the Amalgamated Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Amalgamating Company in proportion to their respective fractional entitlements.
- 21.4 In the event of any increase in the issued, subscribed or paid up share capital of the Amalgamating Company or the Amalgamated Company or issuance of any instruments convertible into equity shares or restructuring of its equity share capital including by way of share split/consolidation/issue of bonus shares, free distribution of shares or instruments convertible into equity shares or other similar action in relation to share capital of the Amalgamating Company or the Amalgamated Company at any time as of the Part C Record Date, except on account of exercise of the Warrants already issued by the Amalgamated Company, the share exchange ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.
- 21.5 The Part C New Equity Shares of the Amalgamated Company issued as per this Clause shall be subject to the Memorandum and Articles of Association of Amalgamated Company and shall rank *pari passu* in all respects, including dividend and voting rights, with the existing equity shares of the Amalgamated Company.
- 21.6 On the approval of Part C of the Scheme by the members of the Amalgamated Company pursuant to Sections 230 to 232 of the Act, it shall be deemed that the members of the Amalgamated Company have also accorded their consent under Sections 42 and 62 of the Act and the applicable rules and regulations issued thereunder for the aforesaid issuance of equity shares of the Amalgamated Company, to the shareholders of the Amalgamating Company, and all actions taken in accordance with this Clause of this Scheme shall be deemed to be in full compliance of Sections 42 and 62 of the Act and other applicable provisions of the Act and no further resolution or actions under Sections 42 and 62 of the Act or the rules and regulations issued thereunder, including, *inter alia*, issuance of a letter of offer by the Amalgamated Company shall be required to be passed or undertaken..
- 21.7 In accordance with the regulatory requirements, all Part C New Equity Shares required to be issued by the Amalgamated Company to the shareholders of the Amalgamating Company shall be issued in dematerialized form and shall be credited to the depository account of the equity shareholders of the Amalgamating Company to the extent the details of such depository participant accounts have been provided to/are available with the Amalgamating Company before the Part C Record Date.
- 21.8 For the purpose of allotment of Part C New Equity Shares of Amalgamated Company, in case any shareholder of the Amalgamating Company on the Part C Record Date holds equity shares in the Amalgamating Company in physical form and/or details of the depository participant account of such shareholder have not been provided to the Amalgamating Company before the Part C Record Date, the Amalgamated Company shall not issue its equity shares to such shareholder but shall

subject to Applicable Laws, issue the corresponding number of equity shares in dematerialised form, to a demat account held by a trustee nominated by the Board of Directors of Amalgamated Company or into a suspense account opened in the name of the Amalgamated Company with a depository participant or into an escrow account opened by the Amalgamated Company with a depository, as determined by the Board of the Amalgamated Company. The equity shares of the Amalgamated Company so held in a trustee's account or suspense account or escrow account, as the case may be, shall be transferred to the respective shareholder as per his entitlement once such shareholder provides details of his / her / its depository participant account to the Amalgamated Company in accordance with Applicable Laws, along with such documents as maybe required under Applicable Laws.

- 21.9 In terms of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relevant listing agreement, SEBI Scheme Circular and other Applicable Laws, if any, in each case, as amended, Part C New Equity Shares to be issued by the Amalgamated Company to the shareholders of the Amalgamating Company, pursuant to this Scheme, shall be listed on all the Stock Exchanges on which the equity shares of the Amalgamated Company are listed as on the Effective Date. The Amalgamated Company will make necessary application(s) to the designated stock exchange and other competent authorities, if any, for this purpose and will comply with the provisions of all Applicable Laws in this regard.
- 21.10 Shares allotted pursuant to this Scheme may remain frozen in the Depositories system till listing/trading permission is given by the Stock Exchanges.
- 21.11 The Board of Directors (including any committee thereof) of Amalgamating Company and the Amalgamated Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Amalgamated Company on account of the difficulties if any in the transition period.

22. CANCELLATION OF SHARES

- 22.1 Upon Part C of the Scheme becoming operative on the Effective Date, all the equity shares held by the Amalgamating Company in the share capital of the Amalgamated Company, shall stand automatically cancelled and extinguished, without any further act or deed. Accordingly, the share capital of the Amalgamated Company shall stand reduced to the extent of the face value of the equity shares held by the Amalgamating Company and cancelled pursuant to this Clause and the related balance in the securities premium account, if any, shall also stand cancelled pursuant to this Clause.
- 22.2 The reduction of the share capital (including the securities premium account, if any) of the Amalgamated Company as contemplated in this Part C of the Scheme, shall be effected as an integral part of this Scheme in accordance with the provisions provided under Sections 230-232 and any other applicable provisions of the Act. In any event, it shall be deemed that the members of the Amalgamated Company who have approved the Scheme have also resolved and accorded all relevant consents under Section 66 of the Companies Act, 2013 or any other provisions of the Act to the extent the same may be considered applicable and that there will be no need to pass a separate shareholders' resolution as required under Section 66 of the Companies Act, 2013.
- 22.3 The order of the Tribunal sanctioning this Scheme shall also include approval and confirmation on the reduction of the share capital of the Amalgamated Company and shall be deemed to be an order under Section 66 read with Section 52 of the Act, as applicable, confirming the reduction and no separate application or sanction shall be necessary for the purposes of such reduction.
- 22.4 The reduction of the share capital, as contemplated above, would not involve either a diminution of liability in respect of unpaid share capital, if any or payment to any shareholder of any unpaid share capital and shall not cause any prejudice to the interest of the creditors of the Amalgamated Company as there will not be any reduction in the amount payable to the respective creditors.

Further, it does not alter, vary, or affect the rights of the creditors in any manner.

- 22.5 The Amalgamated Company shall not be required to add the words “and reduced” as a suffix to its name consequent upon such reduction.
- 22.6 The reduction of the share capital (including the securities premium account, if any) of the Amalgamated Company as contemplated in this Part C of the Scheme would not in any way adversely affect the ordinary operations of the Amalgamated Company or the ability of the Amalgamated Company to honour its commitments or to pay its debts in the ordinary course of business.

23. DISSOLUTION OF AMALGAMATING COMPANY

Upon Part C of this Scheme becoming operative on the Effective Date, Amalgamating Company shall stand automatically dissolved as an integral part of this Scheme, without being liquidated or wound-up and without requiring any further act, instrument or deed from the Amalgamating Company and/or the Amalgamated Company.

24. ACCOUNTING TREATMENT

Upon Part C of the Scheme becoming operative on the Effective Date, with effect from the Appointed Date, the Amalgamated Company shall account for the amalgamation of Amalgamating Company in its books of accounts in accordance with principles as laid down in Appendix C to the Indian Accounting Standards 103 (Business Combinations) notified under Section 133 of the Act and under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time, such that:

- (i) All assets and liabilities of the Amalgamating Company shall be recorded by the Amalgamated Company at their respective book values as appearing in the books of the Amalgamating Company as on the Appointed Date;
- (ii) The identity of the reserves standing in the books of accounts of the Amalgamating Company shall be preserved and they shall appear in the financial statements of the Amalgamated Company in the same form, as they appeared in the financial statements of the Amalgamating Company. As a result of preserving the identity, the reserves which are available for distribution before the amalgamation would also be available for distribution as dividend after amalgamation. The balance of the reserves appearing in the financial statements of the Amalgamating Company as on the Appointed Date will be aggregated with the corresponding balance appearing in the financial statements of the Amalgamated Company.
- (iii) Inter-corporate deposits / loans and advances / balances outstanding, if any, between the Amalgamated Company and the Amalgamating Company shall stand cancelled and there shall be no further obligation in this regard.
- (iv) Shares held by the Amalgamating Company in the Amalgamated Company shall stand cancelled pursuant to Clause 22 of this Scheme. There shall be no further obligation in respect of the cancelled shares. The cancellation of share capital will be effected as part of this Scheme and the order of the NCLT shall be deemed to be the order under the applicable provisions of the Act for confirming the cancellation of share capital.



- (v) Entire inter-company investments held by the Amalgamating Company in the Amalgamated Company and by the Amalgamated Company in the Amalgamating Company shall stand cancelled.
- (vi) The Amalgamated Company shall credit to its share capital and record the Part C New Equity Shares issued and allotted by it pursuant to Clause 21 of the Scheme.
- (vii) The difference, if any, between the book value of assets and liabilities (including reserves) under sub-clause (i) and (ii) of Clause 24 above transferred to the Amalgamated Company, further taking into consideration the impact of sub-clause (iii), (iv) and (v) of Clause 24 and the consideration discharged by way of the Part C New Equity Shares issued as per Clause 24(vi) above to the shareholders of the Amalgamating Company in lieu of the amalgamation, shall be recorded as capital reserve in the books of the Amalgamated Company (debit or credit, as the case may be).
- (viii) In case of any differences in accounting policy between the Amalgamating Company and the Amalgamated Company, the accounting policies of the Amalgamated Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the capital reserves to ensure that the financial statements of the Amalgamated Company reflect the financial position on the basis of consistent accounting policy.
- (ix) Notwithstanding the above, the Board of Directors of the Amalgamated Company, is authorised to record assets, liabilities and reserves and surplus in compliance with prevailing accounting standards.



PART D
REORGANISATION OF EQUITY SHARE CAPITAL OF THE RESULTING COMPANY /
AMALGAMATED COMPANY

25. ISSUE OF BONUS EQUITY SHARES

In compliance with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, AFL envisages issuance of Bonus shares in the manner provided as follows:

- 25.1 Upon Part B and Part C of the Scheme becoming operative on the Effective Date, the Resulting Company / Amalgamated Company shall issue and allot by way of bonus, to each equity shareholder whose name is recorded in the Registrar of Members of the Resulting Company / Amalgamated Company and/or the records of the depository(ies) as equity shareholder of Resulting Company / Amalgamated Company as on the Record Date, being any date post giving effect to Clause 13 and Clause 21 of Part B and Part C of the Scheme, respectively ("**Part D Record Date**"), in the following ratio:

*"1 (One) new bonus fully paid-up equity shares having face value of INR 2/- (Indian Rupees Two) ("**Bonus Shares**") for every 2 (Two) equity shares of AFL having face value of INR 2/- (Indian Rupees Two) each fully paid-up, held by a shareholder of AFL as on Part D Record Date."*

- 25.2 The Bonus Shares to be issued and allotted by pursuant to Clause 25.1 above, shall be subject to the provisions of the Memorandum of Association and Articles of Association of Resulting Company / Amalgamated Company and shall rank *pari passu* with its existing equity shares in every respect. As soon as practicable after the issuance of Bonus Shares, Resulting Company / Amalgamated Company shall take necessary steps towards listing of the Bonus Shares on the stock exchange where its existing shares are listed, subject to all regulatory approvals and Applicable Law.
- 25.3 The issuance and allotment of Bonus Shares pursuant to Clause 25.1 of the Scheme is an integral part of the Scheme and shall be deemed to have been carried out as prescribed under Section 63 and other applicable provisions of the Companies Act, 2013 and rules made thereunder and relevant SEBI rules and regulations.
- 25.4 Subject to Applicable Laws, the Bonus Shares shall be issued in dematerialised form. The shareholders of Resulting Company / Amalgamated Company shall provide such confirmation, information and details as may be required by Resulting Company / Amalgamated Company to issue the Bonus Shares.
- 25.5 In case of any fractional entitlement of shares arising out of the aforesaid bonus ratio, the Board of Directors (including any committee thereof) of Resulting Company / Amalgamated Company shall consolidate all such fractional entitlements and shall round up the aggregate of such fractions to the next whole number and issue consolidated Bonus Shares to a trustee nominated by the Board of Directors of Resulting Company / Amalgamated Company (the "**Trustee**"), who shall hold such Bonus Shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price and on such time within ninety (90) days from the date of allotment, as the Trustee may in its sole discretion decide and on such sale, pay to the Resulting Company / Amalgamated Company, the net sale proceeds (after deduction of applicable taxes and cost incurred) thereof and any additions and accretions, whereupon the Resulting Company / Amalgamated Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders in proportion to their respective fractional entitlements.

- 25.6 No Bonus Shares will be issued under this Scheme in respect of any equity shares of Resulting Company / Amalgamated Company that have been forfeited or partly paid. The issuance of Bonus Shares pursuant to the Scheme in respect of any equity shares of Resulting Company / Amalgamated Company which are held in abeyance shall, pending allotment or settlement of dispute by order of Tribunal or otherwise, be held in abeyance by Resulting Company / Amalgamated Company. The equity shares lying in Unclaimed Suspense Account (if any) and the equity shares held in the Investor Education and Protection Fund (if any) shall also be eligible for issuance of Bonus Shares and such Bonus Shares shall be dealt with in the same manner as equity shares lying in the said Unclaimed Suspense Account and/or the Investor Education and Protection Fund (as the case may be).
- 25.7 Bonus Shares shall be granted exclusively to the equity shareholders (including Trustee appointed under Clause 13.3 and Clause 21.3 of the Scheme, for the purpose of holding fractional entitlements) of the Resulting Company / Amalgamated Company as on the Record Date, post giving effect to Clause 13 and Clause 21 of Part B and Part C, respectively, of the Scheme. Further, Part D of the Scheme hereon does not, in any manner, constitute an offer or an invitation to the public to subscribe to the Bonus Shares / equity shares of Resulting Company / Amalgamated Company neither the Scheme nor any related document shall constitute an offer document or prospectus in any manner or for any purpose whatsoever.
- 25.8 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Resulting Company / Amalgamated Company, the Board of Directors of Resulting Company / Amalgamated Company shall be empowered in appropriate cases, prior to or even subsequent to the Part D Record Date, to effectuate such a transfer with the company as if such changes in registered holder were operative as on the Part D Record Date, in order to remove any difficulties arising to the transferor/transferee of the shares in Resulting Company / Amalgamated Company and in relation to the issuance of Bonus Shares. The Board of Directors of Resulting Company / Amalgamated Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme in regard to issuance of Bonus Shares.
- 25.9 The Bonus Shares shall be issued by way of capitalization of the sum standing to the credit of the Securities Premium Account, Retained Earnings Account and/or any other free reserve of the Resulting Company / Amalgamated Company, in any manner as may be deemed fit by its Board of Directors.



PART E
CHANGE IN AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANY /
AMALGAMATED COMPANY

26. CHANGE IN AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANY /
AMALGAMATED COMPANY

- 26.1 Upon this Scheme becoming operative on the Effective Date, the authorised share capital of Amalgamating Company as on the Effective Date shall stand transferred to and be merged/amalgamated with the authorised share capital of the Amalgamated Company, and the fee, if any, paid by the Amalgamating Company on its authorised share capital shall be set off against any fee payable by the Amalgamated Company on such increase in its authorised share capital, consequent to this Scheme.
- 26.2 Upon this Scheme becoming operative on the Effective Date, the authorized share capital of Resulting Company / Amalgamated Company of INR 2,50,00,000 (Rupees Two Crores and Fifty Lakhs) divided into 1,15,00,000 (One Crore Fifteen Lakhs) equity shares having face value of INR 2 (Rupees Two) each and 20,000 (Twenty Thousand) Redeemable Cumulative Preference Shares having face of INR 100 (Rupees Hundred) each, in terms of Clause V of its Memorandum of Association shall stand enhanced to INR 3,50,00,000 (Rupees Three Crores and Fifty Lakhs Only) divided into 1,65,00,000 (One crore Sixty Five Lakhs Only) equity shares having face value of INR 2 (Rupees Two) each and 20,000 (Twenty Thousand) Redeemable Cumulative Preference Shares having face of INR 100 (Rupees One Hundred) each, without any further act or deed by the Resulting Company / Amalgamated Company for purpose of such enhancement of the authorized share capital of the Resulting Company / Amalgamated Company, except payment of necessary stamp duties and RoC fees.
- 26.3 Subsequent to enhancement of the authorized share capital of the Resulting Company / Amalgamated Company as contemplated in Clause 25.1 above, the authorized share capital clause of the Memorandum of Association (Clause V) of the Resulting Company / Amalgamated Company shall stand modified and read as follows:-
- "The Authorized Share Capital of the Company is Rs. 3,50,00,000 (Rupees Three Crores and Fifty Lakhs) divided into 1,65,00,000 (One crore Sixty Five Lakhs) equity shares of Rs. 2 (Rupees Two) each and 20,000 (Twenty thousand) Redeemable Cumulative Preference Shares of Rs. 100 (Rupees One Hundred) each....."*
- 26.4 Pursuant to the effectiveness of Part E of this Scheme, the Resulting Company / Amalgamated Company shall make the requisite filings with the RoC and pay the necessary fees for the increase in its authorized share capital, after any adjustment pursuant to Clause 26.1 of this Scheme.
- 26.5 It is hereby clarified that the consent of the shareholders of the Resulting Company / Amalgamated Company to this Scheme shall be deemed to be sufficient for the purposes of effecting amendment in the authorized share capital of the Resulting Company / Amalgamated Company and consequential amendments in Clause V of its Memorandum of Association, and all actions taken in accordance with this Clause 26 of Part E of this Scheme shall be deemed to be in full compliance of Sections 13, 14, 61 and 64 of the Act and other applicable provisions of the Act and that no further resolutions or actions under Sections 13, 14, 61 and 64 of the Act and/or any other applicable provisions of the Act, would be required to be separately passed or undertaken by the Resulting Company / Amalgamated Company.



PART F
GENERAL TERMS AND CONDITIONS

27. CONDITIONALITY OF THE SCHEME

- 27.1 The effectiveness of this Scheme or any Part thereof, is conditional upon and subject to the following:
- (a) this Scheme being approved by the requisite majorities of such classes of shareholders and creditors of the Participating Companies as may be required under Applicable Laws or as may be directed by the Tribunal;
 - (b) receipt of an 'Observation Letter' or a 'No-objection Letter' from the designated stock exchange on the Scheme, as required under Applicable Laws;
 - (c) this Scheme being approved by the public shareholders of the Resulting Company / Amalgamated Company through e-voting in terms of Para (A)(10)(b) of Part I of the SEBI Scheme Circular and the Scheme shall be acted upon only if votes cast by the public shareholders in favour of the proposal are more than the number of votes by the public shareholders against it.
 - (d) the sanction of the Scheme or any Part thereof, by the Tribunal;
 - (e) the receipt of such other approvals including approvals of any Governmental Authority as may be necessary under Applicable Laws or under any material contract to make this Scheme or the relevant Part of this Scheme effective; and
 - (f) the certified copies of the order of the Tribunal sanctioning this Scheme (wholly or partially) being filed with the Registrar of Companies by each of the relevant Participating Companies.

28. EFFECTIVENESS OF THE SCHEME

Subject to Clause 30 of this Scheme, upon this Scheme becoming operative on the Effective Date, the following shall be deemed to have occurred on the Appointed Date (except Part D of the Scheme) and shall become effective and operative in the sequence and in the order mentioned hereunder:

- (i) Demerger of the Demerged Undertaking of the Demerged Company and vesting of the same with and into the Resulting Company in accordance with Part B of this Scheme;
- (ii) Amalgamation of the Amalgamating Company into and with Amalgamated Company and Dissolution of Amalgamating Company in accordance with Part C of this Scheme;
- (iii) Reorganisation of Equity Share Capital of the Resulting Company / Amalgamated Company in accordance with Part D of this Scheme
- (iv) Change in Authorized Share Capital of the Resulting Company / Amalgamated Company, giving effect to Part B, Part C and Part D of this Scheme, in accordance with Part E of this Scheme.



29. APPLICATIONS

- 29.1 Participating Companies shall make applications and/or petitions under sections 230-232 and other applicable provisions of the Act to the Competent Authority for approval of the Scheme and all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of the Scheme.
- 29.2 Upon this Scheme becoming effective, the shareholders and the creditors of the Participating Companies shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the specific provisions contained in this Scheme. The Participating Companies shall also make all other necessary applications before the Competent Authority for sanction of this Scheme.
- 29.3 The Participating Companies shall be entitled, pending the effectiveness of the Scheme, to apply to any appropriate authority, if required, under any Applicable Law *inter-alia* including SEBI Regulations, for such consents and approvals, as agreed between the Participating Companies, which the Participating Companies may require to effect the transactions contemplated under this Scheme, in any case subject to the terms as may be mutually agreed between the Participating Companies.

30. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 30.1 The Participating Companies, acting through their respective Boards of Directors or committees or such other person or persons, as the respective Board of Directors may authorize, may assent to any modifications or amendments to this Scheme, in any manner including for the avoidance of doubt any Part thereof, which the Tribunal, SEBI and/or any other Governmental Authorities may deem fit to direct or impose, or which may otherwise be considered necessary or desirable in the absolute discretion of the respective Board of Directors or committees thereof or such other person or persons of the Participating Companies as the respective Board of Directors may authorize, for settling any question or doubt or difficulty that may arise in implementing and/or carrying out this Scheme. The Participating Companies, acting through their respective Boards of Directors, be and are hereby authorized to take all such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions, whether by reason of any orders of the Tribunal or of any directive or orders of SEBI or any other Governmental Authorities or otherwise howsoever, arising, out of, under, or by virtue of this Scheme and/or any matters related to or connected therewith.
- 30.2 If, at any time, before or after the Effective Date, any provision(s) or Part(s) of this Scheme are found to be, or interpreted to be, invalid or illegal or inconsistent with any Applicable Law(s), or rejected, or unreasonably delayed, or not sanctioned by the Tribunal or is or becomes unenforceable, under present or future Applicable Law(s), or due to any change in any Applicable Law(s), then it is the intention of the Participating Companies that such Part(s) shall be severable from the remainder of this Scheme and subject to Clause 30.1 other Parts / provisions of this Scheme shall not be affected thereby, unless the deletion of such Part shall cause this Scheme to become materially adverse to any of the Participating Companies in the sole opinion of the Board of Directors of the relevant Participating Companies. In such a case, the Participating Companies, acting through their respective Boards of Directors or committees or such other person or persons, as the respective Board of Directors may authorize, may at their discretion, either bring about such modification in this Scheme, as is likely to best preserve for the relevant Participating Companies, the benefits and obligations of this Scheme and/or withdraw the Scheme or any Part thereof, wholly or partially.
- 30.3 The Participating Companies, acting through their respective Boards of Directors or committees or such other person or persons, as the respective Board of Directors may authorize, shall be at the liberty to withdraw this Scheme, including for the avoidance of doubt any Part(s) thereof, in any

manner, at any time as may be mutually agreed between them prior to the Effective Date. In such a case, each of the Participating Companies shall respectively bear their own cost or as may be mutually agreed. In the event any Part(s) or provision(s) of this Scheme are withdrawn and the Participating Companies decide to implement the remaining Part(s) or provision(s) of this Scheme, to the extent of such withdrawn provision(s), this Scheme shall become null and void and no rights or liabilities whatsoever shall accrue to, or incurred by, the relevant Participating Companies, their respective shareholders and/or creditors and/or any other persons with respect to such provisions or Part(s) of the Scheme. It is hereby clarified that notwithstanding anything to the contrary contained in this Scheme, any one of the company shall not be entitled to withdraw the Scheme unilaterally: (a) without the prior written consent of the other company(ies); or (b) unless such withdrawal is in accordance with written agreement entered into between the Participating Companies, if any.

31. EFFECT OF NON-RECEIPT OF APPROVALS/SEVERABILITY

- 31.1 In the event any of the sanctions, consents or approvals referred to in Clause 27 above are not obtained or received and/or the Scheme, or any Part(s) thereof, has not been sanctioned by the Tribunal the Board of Directors of each of the Participating Companies, shall, by mutual agreement, determine whether:
- (a) this Scheme shall stand revoked and cancelled in entirety and shall be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or under Applicable Laws and in such event, each Company shall bear and pay its respective costs, charges and expenses for and in connection with the Scheme; or
 - (b) such Part shall be severable from the remainder of the Scheme and the remainder of the Scheme shall not be affected thereby, unless the deletion of such Part shall cause the Scheme to become materially adverse to any Company, in which case each of the Participating Companies, (acting through their respective Boards of Directors or committees or such other person or persons, as the respective Board of Directors may authorize) shall attempt to bring about a modification in the Scheme, as will best preserve for the Participating Companies, the benefits and obligations of this Scheme, including but not limited to such Part. Provided, however, that no modification to the Scheme shall be made which adversely affects the rights or interests of the creditors, without seeking their approvals.
- 31.2 For the avoidance of doubt, it is clarified that, notwithstanding the above, the non-receipt of any sanctions, consents or approvals in connection with (a) Part B of the Scheme, shall not affect the effectiveness of Part C, Part D and Part E of the Scheme; (b) Part C of the Scheme shall not affect the effectiveness of Part B, Part D and Part E of the Scheme.

32. COMPLIANCE WITH LAWS

- 32.1 This Scheme is presented and drawn up to comply with the provisions/requirements of Sections 230 to 232 read with Section 66 and other applicable provisions of the Act, for the purpose of (a) Demerger of the Demerged Undertaking of the Demerged Company and vesting of the same into the Resulting Company; (b) Amalgamation of Amalgamating Company into and with the Amalgamated Company; and other actions incidental or connected therewith.

- 32.2 This Scheme has been drawn up to comply with the conditions relating to (a) "demerger" with

respect to Part B of the Scheme; and (b) "amalgamation" with respect to Part C of the Scheme, as defined under Section 2(19AA) and 2(1B) of the IT Act, respectively.

- 32.3 The Participating Companies undertake to comply with all Applicable Laws, including all applicable compliances required by the SEBI and the Stock Exchanges *inter-alia* including SEBI Scheme Circular and SEBI Regulations, and all applicable compliances required under the Foreign Exchange Management Act, 1999, if any, including making the requisite intimations and disclosures to any statutory or regulatory authority and obtaining the requisite consent, approval or permission of the Central Government, RBI (if required) or any other statutory or regulatory authority, which by Applicable Law may be required for the implementation of this Scheme.
- 32.4 In relation to Part B of the Scheme, the Demerged Company and the Resulting Company shall ensure necessary compliances and fulfilment of conditions, more particularly in terms of the SEBI Regulations as defined in the Scheme and applicable IFSC regulations. For the avoidance of doubt, the Demerged Company and the Resulting Company shall ensure that all necessary compliances, filing requirements, applications, consents, approvals, intimations, as may be applicable shall be fulfilled by the Demerged Company and the Resulting Company, for the purpose of transfer of infrastructure relating to Demerged Undertaking viz. client/ customer accounts, KYC documentation and records, fixed deposit accounts, bank guarantees, leased lines, co-location racks, softwares, in house/ empaneled vendors, NNF permission and license, cash securities and collaterals, bank and demat accounts, etc. and for the purpose of IFSC regulations.
- 32.5 Until the Scheme becomes operative from the Effective Date, the Amalgamated / Resulting Company reserves right to issue non-convertible debentures or any other similar debt instruments in accordance with the requisite approvals, for routine business purposes and effect thereof, if any, on the Scheme would be considered accordingly.

33. CANCELLATION OF INTER-SE TRANSACTIONS

Upon this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all loans, advances, trade receivables and other obligations or liabilities due, from or by or any guarantees given on behalf, any of the Amalgamating Company to or for each other or to the Amalgamated Company or *vice versa*, if any, and all contracts, arrangements and transactions, of any nature whatsoever, between any of the Amalgamating Company and the Amalgamated Company (other than this Scheme) shall stand automatically cancelled and terminated and shall be of no effect, without any further act, instrument or deed being required from any of the Participating Companies and without any approval or acknowledgement of any third party. Unless required under any Applicable Laws, no further taxes, fees, duties or charges shall be required to be paid by the Amalgamated Company on account of such cancellation or termination.

34. CAPITAL AND DIVIDENDS

- 34.1 Nothing in this Scheme shall be interpreted to restrict the ability of any of the Participating Companies to declare and/or pay dividends, whether interim and/or final or issue bonus shares, to their respective shareholders prior to the Effective Date.
- 34.2 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Participating Companies to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Participating Companies, and if applicable as per the provisions of the Act, shall also be subject to the approval of the shareholders of the relevant Company or Participating Companies.

- 34.3 Nothing in this Scheme shall be interpreted to restrict the ability of any of the Participating Companies to raise capital or funds whether by way of equity or debt, in any manner whatsoever, at any time prior to the Effective Date.

35. INDEMNITY

- 35.1 Demerged Company and Amalgamating Company shall indemnify and hold harmless the Resulting Company / Amalgamated Company and its directors, officers, representatives, partners, employees, agents and its associated entities (collectively the "**Indemnified Persons**") for losses, liabilities, costs, charges, expenses (whether or not resulting from third party claims), including those paid or suffered pursuant to any actions, proceedings, claims and including interests and penalties discharged by the Indemnified Persons which may devolve on Indemnified Persons on account of the Scheme but would not have been payable by such Indemnified Persons otherwise, in the form and manner as may be agreed between Demerged Company and/or Amalgamating Company and Resulting Company / Amalgamated Company.

36. COSTS

- 36.1 All costs, charges, taxes including stamp duty, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in connection with implementing of this Scheme and matters incidental thereto shall be borne by the Resulting Company / Amalgamated Company.

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