

**SCHEME OF MERGER BY ABSORPTION
OF
KASHMIRA INVESTMENT AND LEASING PRIVATE LIMITED
WITH
VENTURA GUARANTY LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS**

This Scheme of Merger is presented under Sections 230 to 232 and other applicable provisions of the Companies 2013 and Rules framed thereunder for Merger by Absorption of Kashmira Investment and Leasing Private Limited ("KILPL" or Transferor Company") with Ventura Guaranty Limited ("VGL" or "Transferee Company"). This Scheme also provides for various other matters consequential and otherwise integrally connected therewith.

The Scheme is divided into the following parts:

- A. **Part I** deals with the Introduction, Rationale of the Scheme, Definitions, Interpretation and Share Capital;
- B. **Part II** deals with Merger by Absorption of KILPL with VGL;
- C. **Part III** deals with the Dissolution of the Transferor Company, General Clauses and Terms and Conditions.

PART I

**INTRODUCTION, RATIONALE OF THE SCHEME, DEFINITIONS, INTERPRETATION
AND SHARE CAPITAL**

1. INTRODUCTION

1.1. KASHMIRA INVESTMENT AND LEASING PRIVATE LIMITED

- 1.1.1 Kashmira Investment and Leasing Private Limited having CIN: U65100MH1986PTC186364 was incorporated on 3rd July, 1986 under the provisions of the Companies Act, 1956.



1.1.2 The registered office of KILPL is situated at 8th Floor B - Wing I - Think Techno Campus Pokhran Road No 2 behind TCS Off Eastern Express, Thane - 400607, Maharashtra, India.

1.1.3 KILPL received the certificate of registration dated 20th April 1998 from Reserve Bank of India ("RBI") and is a non-systematically important, non-deposit taking Non-Banking Finance Company (NBFC) registered with RBI having Registration Number 13.00742. It is inter-alia engaged in the business of lending and borrowing against the securities. KILPL also trades and invests in securities. They carry out all the objectives of a NBFC.

1.1.4 KILPL is an unlisted company.

1.2 VENTURA GUARANTY LIMITED

1.2.1 Ventura Guaranty Limited having CIN: L65100MH1984PLC034106, was originally incorporated as a company under the name of "Shyam Commercial Limited" under the provisions of the Companies Act, 1956 on 24th September, 1984. VGL has obtained a Certificate for Commencement of Business dated 22nd October, 1984 from the Registrar of Companies, Maharashtra, Mumbai. The name of the Company has been changed from Shyam Commercial Limited to Phoenix Ventura and Guaranty Limited and a fresh Certificate of Incorporation consequent on change of name dated 14th January, 1994 was issued by the Registrar of Companies, Maharashtra, Mumbai. The name of the company has been further changed from Phoenix Ventura and Guaranty Limited to its present name, Ventura Guaranty Limited and a fresh Certificate of Incorporation consequent on change of name dated 4th October, 1994 was issued by the Registrar of Companies, Maharashtra, Mumbai.

1.2.2 The registered office of VGL is situated at 8th Floor B - Wing I - Think Techno Campus Pokhran Road No 2 behind TCS Off Eastern Express, Thane - 400607, Maharashtra, India.



1.2.3 VGL received the certificate of registration from RBI dated 4th March, 1998. It is a Non-Banking Finance Company registered as an investing company and non-deposit taking company with Reserve Bank of India having Registration Number 13.00224 dated 4th March, 1998. VGL is carrying out its activities through its subsidiary companies namely Ventura Securities Limited and step-down subsidiary namely Ventura Allied Services Private Limited and Ventura Commodities Limited. VGL is a financial holding company.

1.2.4 VGL is a listed company and its shares are listed on BSE Limited.

1.2.5 VGL holds 10.06% shares of KILPL.

2. RATIONAL FOR THE SCHEME

2.1 VGL holds 10.06% in KILPL. As stated above, both KILPL and VGL are registered NBFCs. Considering the overlap of business activities, it is proposed to integrate the respective business activities of both entities in a single entity. This will enable following:

2.1.1 Focused and holistic approach of the management towards combined business operations;

2.1.2 Integration of business operations would enable the Transferee Company to provide significant impetus to its growth;

2.1.3 Create value for stakeholders, including respective shareholders, customers, lenders and employees as the combined business would benefit from increased scale, innovations in technology and expanded reach with increased growth opportunities, higher cross selling opportunities to a larger base of customers, improvement in productivity and operational efficiencies, amongst others;

2.1.4 Avoidance of duplication of administrative functions, reduction in multiplicity of legal and regulatory compliances;

2.1.5 Pooling of common resources leading to operational synergies;

2.1.6 Reduction in number of entities;

2.1.7 Operating synergies resulting in cost optimisation, reduction in the number of Non-Banking Financial companies through surrender of NBFC license to the RBI as a result of the Amalgamation.



2.2. There is no likelihood that any shareholder or creditor or employee of KILPL and VGL would be prejudiced as a result of the Scheme. Thus, the merger is in the interest of the shareholders, creditors and all other stakeholders of the companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

3. TAX TREATMENT OF THE SCHEME FOR THE PURPOSE OF INCOME TAX ACT, 1961

3.1. This Scheme has been drawn up to comply with the conditions relating to Amalgamation as specified under section 2(1B) and other relevant provisions of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section and other related provisions at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the scheme become effective, the provisions of the said section and other related provisions of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961.

4. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expression shall have the following meanings:

- 4.1 "Act" means the Companies Act, 2013, along with rules and regulations issued thereunder, including, any statutory modifications, re-enactments or amendments made thereto from time to time.
- 4.2 "Adjudicating Body(ies)" means the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) and the National Company Law Appellate Tribunal (NCLAT), as constituted and authorised as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under section 230 to 232 of the Companies Act. 2013 or any other authority having jurisdiction under the Act to sanction the scheme.
- 4.3 "Amalgamation" means the amalgamation as specified under Section 2(1B) of the Income-tax Act, 1961.



- 4.4 "Applicable Law(s)" or "Law(s)" means (a) applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye- laws, regulations, listing agreements, notifications (b) writ, injunction, directions, directives, judgement, arbitral award, decree, orders or approvals of, or agreements with, any Governmental Authority or recognized stock exchange, orders or instructions having force of law enacted or issued or sanctioned by any Governmental Authority including any modification or re-enactment thereof for the time being in force;
- 4.5 "Appointed Date" means 1st April, 2024 or such other date as the Adjudicating Body(ies) may direct or fix, for the purpose of amalgamation of KILPL with VGL under this Scheme.
- 4.6 "Board" or "Board of Directors" means the board of directors of the Transferor Company or the Transferee Company as the case may be, and shall, unless it is repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee of directors.
- 4.7 "BSE" shall mean BSE Limited, the stock exchange on which the shares of VGL are listed.
- 4.8 "Effective Date" means the last of the dates on which the certified copies of the order(s) of the Adjudicating Body, are filed with the Registrar of Companies, Maharashtra, Mumbai. All references in this Scheme to the date of "coming into effect of this Scheme" or "Effectiveness of the Scheme" or "Scheme taking effect" or "Scheme becoming effective" shall mean the Effective Date.
- 4.9 "Encumbrance" means (i) any mortgage, charge (whether fixed or floating), pledge, lien, conditional sales contract, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law; (ii) a contract to give or refrain from giving any of the foregoing; (iii) any voting agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any person; and (iv) any adverse claim as to title, possession or use; and the terms "Encumbered", "Encumber" shall be construed accordingly.



- 4.10 **Financial Statements**" include standalone and consolidated accounts, i.e., balance sheet, statement of profit & loss, cash flow statement and notes to accounts of the Transferor Company and the Transferee Company, as the context may require.
- 4.11 **"Governmental Authority(ies)"** means: (a) any national, federal, provincial, state, city, municipal, county or local government, governmental authority or political subdivision thereof; (b) any agency or instrumentality of any of the authorities referred to in clause (a); (c) any non-governmental regulatory or administrative authority, body or other organization, to the extent that the rules, regulations, standards, requirements, procedures or orders of such authority, body or other organization have the force of law; or (d) any court or tribunal having jurisdiction and including, without limitation or prejudice to the generality of the foregoing, the RBI, the NCLT, SEBI, Stock Exchanges and any tax authority.
- 4.12 **"INR"** means Indian National Rupees which is the lawful currency of India;
- 4.13 **"IT Act"** means the Indian Income-tax Act, 1961 and shall include any statutory modifications, re-enactments, or amendments thereof for the time being in force.
- 4.14 **"KILPL" or "Transferor Company"** means Kashmira Investment And Leasing Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office situated at 8th Floor B - Wing I - Think Techno Campus Pokhran Road No 2 behind TCS Off Eastern Express, Thane - 400607, Maharashtra, India. The Permanent Account Number of KILPL is AAACK2970P.
- 4.15 **"LODR"** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued by the Securities and Exchange Board of India.
- 4.16 **"NCLT Order"** shall mean the order of the Hon'ble National Company Law Tribunal, Mumbai Bench sanctioning the Scheme.
- 4.17 **"New Shares"** means shares issued by the Transferee Company to the shareholders of the Transferor Company as a consideration for the Amalgamation.
- 4.18 **"Record Date"** means the date to be fixed by the Board of Directors of the Transferor Company in consultation with the Board of Directors of the Transferee Company for the purpose of reckoning name of the equity shareholders of the Transferor Company who shall be entitled to receive the New Shares to be issued by the Transferee Company and for any other purpose as provided in this Scheme.



- 4.19 "ROC" means the Registrar of Companies, Maharashtra, Mumbai having jurisdiction in relation to both the Transferor Company and the Transferee Company.
- 4.20 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Merger by Absorption in its present form submitted to the relevant Adjudicating Body with modification(s), approved or imposed or directed by the relevant Adjudicating Body.
- 4.21 "SEBI" means Securities and Exchange Board of India.
- 4.22 "SEBI Circulars" means the circulars issued by Securities and Exchange Board of India in relation to the amalgamations and arrangements carried under the Act and shall inter-alia include SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 including any amendments, if any.
- 4.23 "VGL" or "Transferee Company" means Ventura Guaranty Limited incorporated under the provisions of the Companies Act, 1956 and having its registered office at 8th Floor B - Wing I - Think Techno Campus Pokhran Road No 2 behind TCS Off Eastern Express, Thane - 400607, Maharashtra, India. The Permanent Account Number of VGL is AAACK1360K.

All terms and expressions which are used in this Scheme but not defined here in shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income-tax Act; 1961, the Securities Contracts (Regulation) Act 1956, the Depositories Act, 1996 (as the case may be) or other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory amendments, modification or re-enactment thereof, from time to time.

5. INTERPRETATION

- 5.1 In this Scheme, unless the context otherwise requires:
- 5.1.1 Words denoting singular shall include plural and vice versa;
- 5.1.2 Headings and bold type face are only for convenience and shall be ignored for the purposes of interpretation;
- 5.1.3 References to the word "include" or including" shall be construed without limitation;
- 5.1.4 A reference to an article, clause, section, paragraph or schedule is, unless indicated to the



- contrary" a reference to an article, clause, section, paragraph or schedule of this Scheme;
- 5.1.5 Unless otherwise defined, the reference to the word "days" shall means calendar days;
- 5.1.6 References to dates and times shall be construed to be references to Indian dates and times;
- 5.1.7 Reference to a document includes an amendment or supplement to, or replacement or novation of that document;
- 5.1.8 Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them; and
- 5.1.9 References to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint-venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality).

6. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Adjudicating Body and/or by the Board of Directors in terms of Clause 25 shall although be operative from the Effective Date but shall be deemed to be retrospectively effective from the Appointed Date in accordance with the provisions of Section 232(6) of the Act.

7. SHARE CAPITAL

7.1 The Share Capital of the Transferor Company as on 31st March, 2024 is as under:

Particulars	(Amount in Rs.)
Authorised Share Capital	
20,00,000 Equity Shares of Rs. 10/- each	2,00,00,000
Total	2,00,00,000
Issued, Subscribed and paid-up Capital :	
8,71,918 Equity Shares of Rs. 10/- each fully paid-up	87,19,180
Total	87,19,180

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The Transferee Company holds 87,698 Equity Shares, i.e.,(10.06% of the share capital of the Transferor Company.

7.2 The Share Capital of the Transferee Company as on 31st March, 2024 is as under

Particulars	(Amount in Rs.)
Authorised Share Capital	
1,00,00,000 Equity Shares of Rs. 10/- each	10,00,00,000
Total	10,00,00,000
Issued, Subscribed and paid-up Capital:	
31,94,800 Equity shares of Rs.10/- each fully paid up	3,19,48,000
Total	3,19,48,000

7.3 As on date of the approval of the Scheme by the Board of Directors of the Transferor Company and the Transferee Company, there is no change in the capital structure of the Transferor Company and the Transferee Company.



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PART II

MERGER BY ABSORPTION OF KILPL WITH VGL

8. TRANSFER AND VESTING OF ASSETS AND LIABILITIES OF THE TRANSFEROR COMPANY INTO THE TRANSFEREE COMPANY

8.1 The Transferor Company shall, with effect from the Appointed Date and upon this Scheme becoming effective, without any further act or deed, be merged with the Transferee Company and the entire business of the Transferor Company shall stand transferred to and vested in or deemed to have been transferred to or vested in Transferee Company, as a going concern pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the relevant Act and in accordance with the provisions of sections 2(1B) of the Income Tax Act, 1961 and the provisions of this Scheme in relation to the mode of transfer and vesting of assets. This Scheme is a 'Merger by Absorption' in terms of the Explanation provided in Section 232 of the Act and shall be deemed to be regarded as an 'Amalgamation' in terms of Section 2(1B) of the Income Tax Act, 1961.

8.2 The assets of the Transferor Company which are moveable in nature or incorporeal/intangible property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, including plant and machinery, equipment, shall be so transferred by the Transferor Company and shall become the property of the Transferee Company without requiring any separate deed or instrument or conveyance for the same to the end and intent that the property and benefits therein passes to the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

8.3 The assets of the Transferor Company on the Appointed Date shall, upon the Scheme coming into effect, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in the Transferee Company



pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act and the vesting of all such assets shall take place from the Effective Date.

8.4 The other movable properties of the Transferor Company, including investments in shares and any other securities, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits (including deposits from members), if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Transferee Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is hereby clarified that investments, if any, made by Transferor Company and all the rights, title and interest of the Transferor Company in any leasehold properties shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company.

8.5 The immovable properties of the Transferor Company, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall be vested in and/or be deemed to have been vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The relevant authorities shall grant all clearances/permissions, if any, required for enabling the Transferee Company to absolutely own and enjoy the immovable properties in accordance with Applicable Law. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by Governmental Authorities pursuant



to the sanction of this Scheme by the Adjudicating Body and upon the Scheme becoming effective in accordance with the terms hereof.

8.6 For the avoidance of doubt and without prejudice to the generality of Clause 8.5 above and Clause 8.7 below, it is clarified that, with respect to the immovable properties of the Transferor Company in the nature of land and buildings, the Transferor Company and/or the Transferee Company shall register the true copy of the orders of the NCLT approving the Scheme with the offices of the relevant sub-registrar or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 8.5 above and Clause 8.7 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any property of the Transferor Company takes place and the assets and liabilities of the Transferor Company shall be transferred solely pursuant to and in terms of this Scheme and the order of the NCLT sanctioning this Scheme.

8.7 Notwithstanding anything contained in this Scheme, with respect to the immovable properties of the Transferor Company in the nature of land and buildings located outside the States/territory where registered office address of the Parties is situated as on the Effective Date, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and vesting in the Transferee Company, if the Transferee Company so decides, the Transferor Company and/ or the Transferee Company, whether before or after the Effective Date, as the case may be, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Transferee Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme.

8.8 For avoidance of doubt and without prejudice to the generality of the foregoing it is clarified that upon the Scheme coming into effect, all approvals, permits, quotas,



environmental approval and consents, permissions (municipal and any other statutory permission), licences, accreditations to trade and industrial bodies, privileges, powers, facilities, certificates, clearances, membership, subscriptions, entitlements, incentives, engagements, remissions, remedies, power, facilities, rehabilitation schemes, authorities, subsidies, concession, special status and other benefits or privileges (granted by any Governmental Authorities or by any other person) any exemptions or waivers of every kind and description of whatsoever nature, powers of attorney given by, issued to or executed in favour of the Transferor Company, shall stand transferred to the Transferee Company as if the same were originally given by; issued to or executed in favour of the Transferee Company; and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

8.9 As a consequence of the Amalgamation of the Transferor Company with the Transferee Company in accordance with this Scheme, the recording of change in name from the Transferor Company to the Transferee Company, whether for the purposes of any licence, permit, approval or any other reason, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority without the requirement of payment of any transfer or registration fee or any other charge or imposition whatsoever.

8.10 Without prejudice to the other provisions of this Scheme, the Transferor Company may, at any time after the Scheme becoming effective, in accordance with the provisions hereof if required by any Applicable Law or otherwise take such actions or execute such documents or deeds or make such applications to the Governmental Authorities or any third person for the purposes of transfer/vesting of the approvals, sanctions, consents, permits, rights, entitlements, contracts or arrangements to which the Transferor Company was entitled to or party to, as the case may be and such Governmental Authorities or third party shall, pursuant to sanction of this Scheme by Adjudicating Body, deem to take on record in the name of the Transferee Company. The Transferee Company shall make applications to any Governmental Authorities or any third persons (as the case may be) as may be necessary in this behalf.



- 8.11 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of the Transferor Company occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the Scheme coming into effect in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (not limited to deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract, arrangements to which the Transferor Company was a party or any writing as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities and compliances as required by the Transferor Company.
- 8.12 The Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Company and the name of the Transferee Company shall be substituted as insured in the policies as if the Transferee Company was initially a party.
- 8.13 The Transferee Company shall be entitled to all the development rights, if any, held in the name of the Transferor Company and the name of the Transferee Company shall be substituted in the document related there to.
- 8.14 With effect from the Appointed Date, all debts, liabilities and obligations, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet of the Transferor Company, as on the close of the business on the day immediately preceding the Appointed Date, shall become the debts, liabilities, duties and obligations of the Transferee Company. Upon the Scheme coming into effect, the Transferee Company shall, in relation to all debts, liabilities and obligations provided for and disclosed in the books of accounts and / or balance sheet of the Transferor Company, meet, discharge and satisfy the same to the exclusion of the Transferor Company.
- 8.15 With effect from the Appointed Date, and subject to the provisions of the Scheme, the liabilities of the Transferor Company including, but not limited to all secured and



unsecured debts, sundry creditors, liabilities (including contingent liabilities), and all duties and obligations (including any guarantees, indemnities, letter of credit or any other instrument or arrangement which may give rise to a contingent liability in whatever form) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations, shall, pursuant to the sanction of this Scheme by the Adjudicating Body and under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument or deed or matter or thing be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company along with any charge, Encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, without any consent of any third party or other person who is a party to the contract or arrangements by virtue of which such liabilities have risen, in order to give effect to the provisions of this Clause. Further, any existing credit facilities which have been sanctioned to the Transferor Company by the bankers, financial institutions and any third party and which is standing as on the Appointed Date but before the Effective Date shall, upon the Scheme coming into effect, ipso facto extend to the Transferee Company.

8.16 Where any such debts, loans raised, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company

8.17 With effect from the Appointed Date, all guarantees, indemnities and contingent liabilities of the Transferee Company shall also, without any further or deed, be transferred to or be deemed to be transferred to the Transferee Company so as become as and from the Appointed Date, as the guarantees, indemnities and contingent liabilities of the Transferee Company and 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 guarantees,

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indemnities and contingent liabilities have arisen or given, in order to give effect to the provisions of this Clause.

8.18 The transfer and vesting of the Transferor Company as aforesaid, shall be subject the existing securities, charges, hypothecation and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of the Transferor Company, provided however, any reference in any security documents or arrangements, to which the Transferor Company is a party, wherein the assets of the Transferor Company have been or are offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Transferor Company as are vested in the Transferee Company by virtue of this Scheme, to the end and intent that such security, charges, hypothecation and mortgage shall not extend or be deemed to extend, to any of the other assets of the Transferee Company, provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of assets or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages to the end and intent that such securities, charges hypothecation and mortgages shall not extend or be deemed to extend, to any of other assets of the Transferor Company vested in the Transferee Company. Notwithstanding anything contrary provided in this Scheme, it is clarified that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the vesting of the Transferor Company with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefore after the amalgamation has become operative.

8.19 Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate including the filing of necessary particulars and /or modification(s) of charge(s), with the respective ROC, Sub Registrar of Assurances and any other Governmental Authorities to give formal effect to the above provisions, if required.



8.20 All inter party transactions between the Transferor Company and the Transferee Company as may be outstanding on the Appointed Date or which may take place subsequent to the Appointed Date and prior the Effective Date, shall be considered as intra party transactions for all purposes from the Appointed Date. Any loans or other obligations if any, due inter se i.e. between the Transferor Company and the Transferee Company as on the Appointed Date, and thereafter till the Effective Date, shall stand automatically extinguished.

8.21 All existing and future incentives, benefits, brought forward losses (if any), book unabsorbed depreciation, tax unabsorbed depreciation, unavailed credits including MAT credits and exemptions and other statutory benefits, including in respect of income tax, excise (including CENVAT) customs, central goods and services tax (CGST), state goods and services tax (SGST), integrated goods and service tax (IGST), value added tax, sales tax, service tax etc. to which the Transferor Company is entitled to in terms of the various statutes / schemes / policies, etc. of union and state governments shall be available to and shall vest in the Transferee Company upon this Scheme becoming effective. Accordingly, upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise, if it becomes necessary, its Income tax returns, Sales tax return, excise & CENVAT returns, service tax returns, GST, other tax returns, and to claim refunds/ credits, pursuant to the provisions of this scheme. The Transferee Company is also expressly permitted to claim refunds and credits in respect of any transaction between or amongst the Transferor Company and the Transferee Company.

8.22 All taxes, including income-tax, tax on book profits, service tax, GST, value added tax, CGST, SGST, IGST etc paid or payable by the Transferor Company, in respect of the operations and/ or the profits of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment including, without limitation, income-tax, tax on book profits, value added tax, etc whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferor Company after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with

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accordingly. Any tax deducted at source by the Transferor Company / the Transferee Company on payables to the Transferor Company / the Transferee Company on account of inter corporate loans or balances between the Transferor Company and the Transferee Company which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceeding be dealt with accordingly.

- 8.23 Any refund, under the Income-tax Act 1961, CGST, SGST, IGST, services tax laws, excise duty laws, central sales tax, GST laws, applicable state value added tax laws or other Applicable Laws / regulations dealing with taxes / duties / levies due to KILPL consequent to the assessment made on the Transferor Company (including any refund for which no credit is taken in the accounts of the Transferor Company) as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company, upon this Scheme becoming effective.
- 8.24 Any tax liabilities under the Income tax Act, 1961, CGST, SGST, IGST, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other Applicable Laws/regulations dealing with taxes / duties / levies of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- 8.25 All bank accounts operated or entitled to be operated by the Transferor Company shall be deemed to have transferred and shall stand transferred to the Transferee Company and names of the Transferor Company shall be substituted by the name of the Transferee Company in the bank's records.
- 8.26 All cheques and other negotiable instruments, payment orders received or presented for encashment which are in name of the Transferor Company after the Effective date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company if presented by the Transferee Company. Similarly, the bankers of the Transferee Company shall honour all cheques issued by the Transferor Company for payment after the Effective Date. If require, the Transferor Company shall allow maintaining of banks accounts in the name of the Transferor Company by the Transferee

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Company for such time as may be determined to be necessary by the Transferor Company and the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company. It is here by expressly clarified that any legal proceedings by or against the Transferor Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case may be, continued, by or against; the Transferee Company after the coming into effect of the Scheme.

8.27 Without prejudice to the generality of the foregoing, all lease agreements and leave and license agreements, management agreements, etc., as the case may be, to which the Transferor Company is a party, and having effect immediately before the Effective Date, shall remain in full force and effect on the terms and conditions contained therein in favour of or against the Transferee Company and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder; and the respective lessees and the licensees, as the case may be, shall continue to be in possession of the premises subject to the terms and conditions contained in the relevant lease agreements or leave and license agreements, as the case may be. Further, all the rights, title, interest and claims of the Transferor Company in any properties including leasehold/licensed properties of the Transferor Company including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company automatically without requirement of any further act or deed. The Transferee Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Transferee Company shall continue to comply with the terms, conditions and covenants thereunder.

8.28 Pursuant to the order of the Adjudicating Body, the Transferee Company shall file the relevant notifications and communications in relation to assignment, transfer, cancellation, modification, or Encumbrances of any license / certificate and any other registration including but not limited to central goods and service tax, state goods and services tax, integrated goods and services tax, value added tax, excise, service tax, income tax, ESI

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company registration number, PF. etc. if any, for the record of the appropriate authorities which shall take them on record.

9. CONSIDERATION

9.1 The Transferee Company (VGL) holds 87,698 Equity shares in the share capital of the Transferor Company (KILPL). KILPL is getting merged into VGL and therefore upon the coming into effect of the Scheme, and in consideration for the transfer of and vesting of the properties, assets and liabilities of KILPL into VGL in terms of the Scheme, the equity share capital of KILPL comprising of 87,698 equity shares held by VGL (inter corporate investment) shall, without any further act, deed or instrument will get automatically cancelled, as an integral part of the Scheme, once the Scheme of Merger is sanctioned by Hon'ble NCLT and the order of NCLT is made effective.

9.2 Upon the Scheme becoming effective and in consideration of the merger by absorption and vesting of the business of the Transferor Company with the Transferee Company, in accordance with this Scheme, the Transferee Company shall, without any further application or deed, issue and allot to shareholders of the Transferor Company whose names appear in the register of members of the Transferor Company on the Record Date or to such of their heirs, executors, administrators or the successors-in-title, as the case may be recognized by the Board of Directors, in the following manner:

"Eighty-Four (84) fully paid-up Equity Shares of Rs. 10/- each of the Transferee Company shall be issued and allotted for every One Hundred (100) fully paid-up Equity Shares of Rs. 10/- each held in the Transferor Company." ("Share Entitlement Ratio")

9.3 If any member becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of the New Shares by the Transferee Company in accordance with Clause 9.2 of Part II above, the Board of the Transferee Company shall consolidate all such fractional entitlements and shall round up the aggregate of such fractions to the next whole number and issue consolidated New Shares to a trustee nominated by the Transferee Company (the "Trustee"), who shall hold such New Shares with all additions

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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 or prices and on such time or times 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 costs incurred) thereof and any additions and accretions, whereupon the Transferee Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Transferor Company in proportion to their respective fractional entitlements.

9.4 The New Shares, to be issued by the Transferee Company pursuant to Clause 9.2 above, shall be issued and allotted to all the members of the Transferor Company in Demat form, i.e., dematerialized shares into the account in which shares of the Transferor Company are held or such other account as is intimated in writing by the shareholders to the Transferor Company and / or its registrar provided such intimation have been received by the Transferor Company and/or its registrar at least 7 (Seven) days before the Record Date. All those shareholders who hold shares of the Transferor Company in physical form shall also receive the equity shares to be issued by the Transferee Company, in dematerialized form provided the details of their account with the depository participant are intimated in writing to the Transferor Company and / or its registrar provided such intimation has been received by the Transferor Company and/or its registrar at least 7 (seven) days before the Record Date. If no such intimation is received from any shareholder who holds shares of the Transferor Company in physical form 7 (seven) days before the Record Date or if the details furnished by any shareholder do not permit electronic credit of the shares of the Transferee Company, the Transferee Company shall deal with the relevant equity shares in such manner as may be permissible under the Applicable Law, including by way of issuing the corresponding equity shares in dematerialised form to the Trustee who shall hold these equity shares in trust for the benefit of such shareholder. The equity shares of the Transferee Company held by the Trustee of Transferee Company for the benefit of the shareholder shall be transferred to the respective shareholder once such shareholder provides details of his/her/its demat account to the Trustee of Transferee Company, along with such other documents as may be required by the Trustee of Transferee



Company. The respective shareholders shall have all the rights of the shareholders of the Transferee Company, including the right to receive dividend, voting rights and other corporate benefits, pending the transfer of equity shares from the Trustee of Transferee Company.

9.5 The Transferee Company shall increase its authorised share capital, to the extent required; in order to issue the New Shares under this Scheme in accordance with the procedure prescribed under section 61 of the Companies Act, 2013, without prejudice to the right of the Transferee Company to avail set off for the fees paid by the Transferor Company as per Clause 16 in terms of Section 232(3) (i) of the Act.

9.6 In the event of there being any pending and valid share transfer, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors or any committee thereof, of the Transferor Company shall be empowered in appropriate cases, even subsequent to the Record Date as the case may be to effectuate such a transfer in the Transferor Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties to the Transferor Company or the Transferee Company, as the case may be, in respect of such shares.

9.7 In the event the New Shares are required to be issued and allotted to such shareholders of the Transferor Company, being non-resident, the issue of such New Shares shall be in accordance with the provisions of the Foreign Exchange Management Act, 1999 and the applicable rules and regulations made thereunder (for the time being in force, including, any statutory modifications, re-enactments or amendments made thereto from time to time)

9.8 The New Shares to be issued and allotted by the Transferee Company, in terms of this Scheme shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Transferee Company. The New Shares to be issued and allotted shall rank *pari passu* in all respects with existing shares of the Transferee Company, including in respect of dividends, if any, that may be declared by the Transferee Company, on or after the Effective Date



- 9.9 The issue and allotment of the New Shares in the Transferee Company to the relevant shareholders of the Transferor Company as provided in the Scheme shall be carried out and the same would not require following of the procedure laid down under Section 42 and 62 of the Companies 2013 and any other applicable provision of the relevant Act.
- 9.10 The New Shares to be issued by the Transferee Company under this Scheme pursuant to Clause 9.2 in respect of any equity shares of the Transferor Company which are held in abeyance under the provisions 126 of the Companies Act, 2013 and other applicable provisions of relevant Act shall pending allotment or settlement of dispute by the order of court or otherwise also be held in by the Transferee Company in abeyance.
- 9.11 For the purpose of issue of the New Shares to the equity shareholders of the Transferor Company, the Transferee Company may, if and to the extent required, apply for and obtain the required statutory approvals from the Governmental Authorities for the issue and allotment by the Transferee Company of such New Shares.
- 9.12 Subsequent to the sanction of the Scheme, the Transferee Company shall make an application for listing and/ or admission for trading the New Shares on BSE in which the shares of the Transferee Company are listed in pursuance to the relevant regulations including, LODR read with the SEBI Circulars. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the Applicable Laws or regulations for the Transferee Company for complying with the formalities / requirements of BSE.
- 9.13 The shares allotted pursuant to the Scheme shall remain frozen in the depositories system until listing/ trading permission is given by the designated stock exchange i.e. BSE Limited in terms of this Scheme.
- 9.14 There shall be no change in the shareholding pattern or control in the Transferee Company between the Record Date and the listing of the shares of the Transferee Company by the relevant stock exchange in terms of this Scheme.



- 9.15 The Transferor Company and the Transferee Company shall duly comply with various provisions of the LODR read with the SEBI Circulars.

PART III

DISSOLUTION OF TRANSFEROR COMPANY, GENERAL CLAUSES AND TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

10. DISSOLUTION OF THE TRANSFEROR COMPANY

- 10.1 Upon the Scheme coming into effect, the Transferor Company shall without any further act or deed, stand dissolved without winding up.
- 10.2 Upon the Scheme coming into effect, the Transferor Company shall also surrender its RBI license.

11. ACCOUNTING TREATMENT

Upon the Scheme becoming effective and with effect from the Appointed date:

- 11.1 Notwithstanding anything contrary contained in any other clauses of the Scheme, the Transferee Company shall give effect to the accounting treatment of amalgamation in its books of accounts in accordance with the treatment provided for 'Pooling of Interest Method' as prescribed in Appendix C of Indian Accounting Standard 103 on Business Combinations notified under the accounting standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, relevant clarifications issued by the IND AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India and other generally accepted accounting principles in India or any other relevant or related requirement under the Act, as applicable on the Appointed Date.
- 11.2 The Transferee Company shall recognize the assets, liabilities, and reserves of the Transferor Company in its books of accounts on the date as determined under IND AS 103 and at their respective carrying amounts as appearing in the Financial Statements of the Transferor Company.



- 11.3 Inter-company balances, loans and advances and investments if any, shall stand cancelled.
- 11.4 The value of investment held by the Transferee Company in the Transferor Company shall stand cancelled pursuant to the Amalgamation.
- 11.5 The identity of the reserves, including balance of Profit and Loss Account, of the Transferor Company shall be preserved and they shall appear in the Financial Statements of the Transferee Company in the same form and manner in which they appeared in the Financial Statements of the Transferor Company.
- 11.6 The excess of, or deficit, in the value of the assets over the value of the liabilities of the Transferor Company vested in the Transferee Company pursuant to this Scheme as recorded in the books of account of the Transferee Company shall, after adjusting the aggregate face value of the shares issued by the Transferee Company to the members of the Transferor Company pursuant to this Scheme and the amounts recorded hereinabove, be transferred to Capital Reserve, in case of surplus, and to Retained Earnings or General Reserves, in case of deficit, in accordance with the accounting principles prescribed under Appendix C of Ind AS 103 (Business combinations of entities under common control).
- 11.7 In case of any differences in the accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail and the impact of the same till the Appointed Date of Merger by Absorption will be quantified and adjusted in the Transferee Company to ensure that the Financial Statements of the Transferee Company effect the true financial position on the basis of consistent accounting policies.

12. STAFF, WORKMEN AND EMPLOYEES

- 12.1 On the Scheme coming into effect, all the employees of the Transferor Company in service on such date shall be deemed to have become employees of the Transferee Company with



effect from the Effective Date without any break in their service and on the basis of continuity of service and the terms and conditions of their employment with the Transferee Company; shall not be less favourable than those applicable to them with reference to the Transferor Company on the Effective Date. The position, rank and designation of the employees would however be decided by the Transferee Company. Any salary, compensation, fringe benefits, perquisites and other kind of consideration given by the Transferor Company from the Appointed Date till the Effective Date will be deemed to have been paid by the Transferee Company.

12.2 In so far as the provident fund, gratuity fund or any other special fund created or existing for the benefit of the employees of the Transferor Company are concerned, upon the Scheme coming into effect, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees employed in the Transferor Company under such funds and trusts shall be protected, subject to the provisions of law for the time being in force. The contributions made by the Transferor Company in respect of its employees to such fund or funds for any period subsequent to the Appointed Date shall be deemed to be contributions made by the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the said fund or funds.

14. CONTRACTS, DEEDS AND STATUTORY CONSENTS

14.1 Subject to the provisions of this Scheme, all contracts, deeds, bonds agreements, arrangements and other instruments of whatsoever nature of the Transferor Company which are subsisting or having effect immediately before the Effective Date shall be in full force against or in favour of the Transferee Company and may be enforced as fully and effectively as if, instead of the Transferor Company, the Transferee Company has been a



party or beneficiary thereto. The Transferee Company shall, if necessary, to give formal effect to this Clause, enter into and/or issue and or execute deeds, writings or confirmations or enter into arrangement, confirmation or novation to which the Transferor Company is a party.

14.2 The Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf and in the name of the Transferor Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Company.

14.3 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the relevant Governmental Authorities (including, the court, Tribunal, Debt Recovery Tribunal as the case may be or any other agency, department or other authorities concerned as may be necessary under law), for such consents, approvals and sanctions which the Transferee Company may require to own and operate all or part of the Transferor Company.

15. VALIDITY OF EXISTING RESOLUTIONS

Upon coming into effect of this scheme, the resolutions of the Transferor Company including the approvals that may have been obtained by the Transferor Company from its shareholders and which are valid and subsisting on the Effective Date, as are considered necessary by the Board of Directors of the Transferee Company shall be considered as resolutions of the Transferee Company. If any such resolutions have any monetary limits approved under the provisions of the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of the Transferee Company, shall be added to the limits, if any under the like resolutions passed by the Transferee Company.



16. INCREASE OF AUTHORISED SHARE CAPITAL

16.1 Upon the Scheme coming into effect, in accordance with the provisions of Section 232 of the Companies Act, 2013 the authorized share capital of the Transferor Company of Rs 2,00,00,000/- (Rupees Two Crore only) shall stand combined consolidated with the authorized share capital of the Transferee Company and on the Scheme coming into effect, the authorised share capital of the Transferee Company shall, without any further act, deed or action, stand increased (post combination) and reconstituted to Rs. 12,00,00,000/- (Rupees Twelve Crore only) divided into 1,20,00,000 equity shares of Rs. 10/- each.

16.2 Clause V of the Memorandum of Association of the Transferee Company shall be amended by deleting the clause and replacing it by the following:

"The Authorised Share Capital of the Company is Rs 12,00,00,000/-(Rupees Twelve Crore Only) divided into 1,20,00,000 equity shares of Rs. 10/- (Rupees Ten only) each.

16.3 It is hereby clarified that an increase in authorised share capital of the Transferee Company, if required, shall be effected as an integral part of Scheme without any further act or deed on the part of the Transferee Company and consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment. The Transferee Company shall not be obliged to follow the procedure or filing as required under Sections 13, 61, 64 of the Companies Act 2013 or any other applicable provision of the relevant Act. It is further clarified that no registration fee, ROC fees, stamp duty etc shall be payable by the Transferee Company, upon the Scheme coming into effect, the fees paid by the Transferor Company on the authorised share capital of the Transferor Company shall, without any act or deed, be available as a set off to the Transferee Company in terms of Section 232(3) (i) of the Act.

16.4 The aforesaid quantum of merging of authorised share capital of the Transferor Company with the Transferee Company and consequent amendment to the Memorandum of Association of the Transferee Company is indicative in nature and the same shall be subject to change due to any increase in authorized share capital of the Transferor



Company or the Transferee Company prior to the Appointed Date till the Scheme coming effect. Any such increase in the authorised share capital of the Transferor Company or the Transferee Company after to the Appointed Date till the Scheme coming into effect shall stand ipso facto added or clubbed to aggregate authorised share capital of the Transferee Company as set in Clause 16.1 above.

17. LEGAL PROCEEDINGS

- 17.1 Any suit, petition appeal or other proceeding of whatsoever nature and any orders of court, judicial or quasi-judicial authority or tribunal or other Governmental Authorities enforceable by or against the Transferor Company, including without limitation any restraining orders (including order under section 281 B of the Income tax Act, 1961) pending before any courts, judicial or quasi-judicial authority or tribunal or any other forum, relating to the Transferor Company, whether by or against the Transferor Company, pending as on the Effective Date, shall not abate or be discontinued or in any way prejudicially affected by reason of the Amalgamation of the Transferor Company or of any order of or direction passed or issued in the amalgamation proceedings or anything contained in this Scheme, but by virtue of the order sanctioning the Scheme, such legal proceeding shall be continued and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Transferor Company as if this Scheme had not been implemented.
- 17.2 After the Appointed Date and until the Effective Date, the Transferor Company shall defend all legal proceedings, other than in the ordinary course of business, with the advice and instructions of the Transferee Company.
- 17.3 The transfer and vesting of the assets and liabilities under the Scheme and the continuance of the proceedings by or against the Transferee Company shall not affect any transaction or proceeding already completed by the Transferee Company between the Appointed Date and the Effective Date to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by and / or on behalf of the Transferor



Company as acts, deeds and things done and executed by and on behalf of the Transferee Company.

18. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

18.1 With effect from the Appointed Date and up to the Effective Date :

18.1.1 The Transferor Company shall carry on its business and activities in the normal course of business till the Effective Date and shall be deemed to have held or stood possessed of and shall hold and stand possessed of all the assets of the Transferor Company for and on account of and in trust for the Transferee Company;

18.1.2 All the profits or income accruing or arising to the Transferor Company or the expenditure or losses arising or incurred by the Transferor Company shall for all purposes be treated and be deemed to be and accrued as the profits and income or expenditure and losses of the Transferee Company.

18.1.3 The Transferor Company shall carry on their business activities with general prudence and shall not, without prior written consent of the Transferee Company alienate, charge or otherwise deal with or dispose off any of its business undertaking or any part thereof (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by the Transferor Company prior to the Appointed Date).

18.1.4 The Transferor Company shall also be entitled, pending the sanction of the Scheme, to apply to Central Government, State Governments and all other agencies, departments and statutory authorities concerned, including Securities & Exchange Board of India (SEBI), BSE Limited and Reserve Bank of India, wherever necessary for such consents, approval and sanctions which the Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required to be granted under any law for time being in force for carrying on business by the Transferee Company.

18.1.5 The Transferor Company shall not make any modification to its capital structure, either by increase, decrease, reclassification, sub-division or reorganization or in any other manner,



whatsoever, except by mutual consent of the Boards of Directors of the Transferor Company and of the Transferee Company and approval from relevant appropriate authorities.

18.1.6 All the taxes of the Transferor Company paid or payable by the Transferor Company including income tax refunds receivables, tax credits such as TDS deducted by customers / banks, CENVAT credit balances, Goods and Services Tax credit balance, Goods and services tax refunds due and service tax refunds due. etc, shall be deemed to be taxes paid or payable by or credits available (as the case may be) for the Transferee Company; and

18.1.7 The Transferee Company shall, with simultaneous intimation to the Transferor Company, take major policy decisions in respect of its assets and liabilities and its present capital structure.

19. POST SCHEME CONDUCT OF OPERATION

19.1 Even after the Scheme becomes effective, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme is formally accepted by the Transferor Company and the Transferee Company concerned. For avoidance of doubt, it is hereby clarified that with effect from the Effective Date and until such time that the name of the bank accounts of the Transferor Company has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary.

19.2 Pursuant to the Scheme becoming effective, the Transferee Company is expressly permitted to revise its Financial Statements and returns along with prescribed forms, filings and annexures under the IT Act (including for minimum alternate tax purposes and tax benefits), service tax law, goods & service tax and other tax laws, and to claim refunds and/or credits for taxes paid (including minimum alternate tax, Goods & Service Tax),

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and to claim tax benefits under the applicable Tax Laws, and for matters incidental thereto, if required to give effect to the provisions of this Scheme.

19.3 The Transferee Company, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Law or otherwise, do all such acts or things as may be necessary to either surrender/convert or transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company. It is hereby clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this Clause, the said third party or Governmental Authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Transferee Company shall file applications/documents, as applicable, with relevant authorities concerned for information and record purposes.

19.4 Without prejudice to the other provisions of the Scheme, in order to ensure implementation of the provisions of the Scheme and continued vesting of the benefits in favour of the Transferee Company, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under Applicable Law or otherwise, unilaterally take all such actions, including execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the regulatory authorities in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.

19.5 It is hereby clarified that any actions required to be taken by the Transferor Company under the Scheme, pursuant to the Amalgamation and dissolution of the Transferor Company shall be discharged by the Transferee Company as its successor.



20. **RATIFICATION**

Except as provided in the clauses above, the Transferee Company shall accept all acts, deeds and things done and executed by and/or on behalf of the Transferor Company on and after the Appointed Date as acts, deeds and things done and executed by and on behalf of the Transferee Company as the case may be.

21. **SAVING OF CONCLUDED TRANSACTIONS**

The transfer of assets, properties and liabilities and the continuance of proceedings by or against the Transferor Company under Clause 8 of Part II of the Scheme above shall not affect any transaction or proceedings already concluded by the Transferor Company on or prior to the Appointed Date, to the end and intent that the Transferee Company accept and adopt all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of the Transferee Company.

22. **DIVIDENDS**

The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim and/or final, to their respective shareholders prior to the Effective Date, but only in the ordinary course of business.

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 Transferor Company and the Transferee Company 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 Transferor Company and the Transferee Company, and if applicable in accordance with the provisions of the Act, be subject to the approval of the shareholders of the Transferor Company and the Transferee Company.

23. **APPLICATION TO ADJUDICATING BODY**

The Transferor Company and the Transferee Company shall, with all reasonable despatch, make applications/petitions under Sections 230 to 232 of the Companies Acts 2013 and



other applicable provisions of the Act to the relevant Adjudicating Body, for sanctioning of this Scheme and all matters ancillary or incidental thereto.

24. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

24.1 The Transferor Company and the Transferee Company may, in their full and absolute discretion, assent to any alterations or modifications in this Scheme which the Adjudicating Body may deem fit to approve or impose and may give such directions as they may consider necessary to settle any questions or difficulty that may arise under the Scheme or in regard to its implementation or in any matter connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholder of the respective Companies). In the event that any conditions are imposed by the Adjudicating Body which the Transferor Company or the Transferee Company find unacceptable for any reason whatsoever then the Transferor Company and/or the Transferee Company shall be entitled to withdraw from the Scheme.

24.2 For the purpose of giving effect to the Scheme or to any modification thereof, the Board of Directors are hereby authorized to give such directions and / or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

25. CONDITIONALITY OF THE SCHEME

25.1 Unless otherwise decided by the Board of the Transferor Company and the Transferee Company this Scheme is specifically conditional upon and subject to:

25.1.1 Obtaining no-objection/ observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of the LODR.

25.1.2 Obtaining prior approval from RBI for transfer of NBFC business of the Transferor Company.

25.1.3 The approval of the Scheme by the requisite majority of the respective members and/ or creditors and such class of persons of the Transferor Company and the Transferee

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Company, as required in terms of the applicable provisions of the relevant Act as well as any requirements that may be stipulated by the relevant Adjudicating Body in this respect.

25.1.4 The approval of the shareholders of Transferor Company and Transferee Company through e-voting and/or other mode as may be required under any applicable law and the SEBI circular, after disclosure of all material facts in the explanatory statement (including the applicable information pertaining to the Transferor Company in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations) or notice or proposal accompanying resolution to be passed sent to the shareholders. The Scheme is conditional upon being approved by the public shareholders of the Transferee Company through e-voting in terms of Part - I(A) - (10)(a) and (10)(b) of SEBI Master Circular No. SEBI/HO/CFD/POD -2 /P/ CIR / 2023/93 dated June 20, 2023 and the Scheme shall be acted upon only if votes cast by the public shareholders of the Transferee Company in favour of the proposal are more than the number of votes cast by the public shareholders of the Transferee Company against it.

25.1.5 Sanction of the relevant Adjudicating Body, being obtained under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act, if so required on behalf of the Transferor Company and the Transferee Company.

25.1.6 The necessary certified copies order under Sections 230 to 232 of the Act, and other applicable provisions of Act are duly filed with the Registrar of Companies, Maharashtra, Mumbai.

25.1.7 All other sanctions and approvals as may be required by law in respect of the Scheme being obtained.

26. REVOCATION OF THE SCHEME

26.1 In the event of any of the said sanction and approval referred to in the preceding Clause 25 above not being obtained and/or the Scheme not being sanctioned by applicable Adjudicating Body and/or the Order(s) not being passed as aforesaid within such period

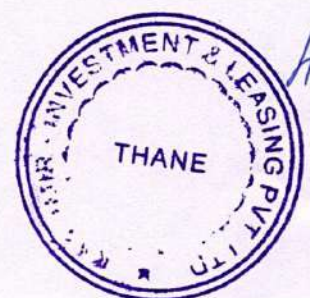
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as may be agreed upon from time to time between the Transferor Company and the Transferee Company (through their respective Board of Directors), this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the Transferor Company and the Transferee Company, or their respective shareholders or employees or any other persons, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, obligation 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 this Scheme and / or otherwise arise as per law. For the purpose of giving full effect to this Scheme, the respective Board of Directors of the Transferor Company and the Transferee Company, are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their power through and by their respective delegates.

26.2 The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if such Board of Director of the Transferor Company and the Transferee Company are of the view that the coming into effect the Scheme in terms of the provisions of this Scheme or filing of the drawn up / certified authenticated orders with any authority could have adverse implication on both/ any of the companies or in case any condition or alteration imposed by the relevant Adjudicating Body or any other authority is not on terms acceptable to them.

26.3 If any part of this Scheme hereof is invalid, ruled illegal by any court of competent jurisdiction or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.



27.

COSTS, CHARGES AND EXPENSES CONNECTED WITH THE SCHEME

All costs, charges, taxes including duties, levies and all other expenses of the Transferor Company and the Transferee Company into or in connection with or incidental to this Scheme and matters incidental thereto on or prior to the Effective Date shall be borne by the Transferor Company and the Transferee Company equally.

Sudhakar

