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**SCHEME OF ARRANGEMENT**

**BETWEEN**

**ZUARI COMMODITY TRADING LIMITED**  
(Transferor Company)

**AND**

**ZUARI FINSERV LIMITED**  
(Formerly Known as Zuari Finserv Private Limited, initially known as Horizonview  
Developers Private Limited)  
(Transferee Company)

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

UNDER SECTION 233 OF THE COMPANIES ACT, 2013 READ WITH RULE 25  
OF THE COMPANIES (COMPROMISE, ARRANGEMENT AND  
AMALGAMATION) RULES, 2016

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## SCHEME OF ARRANGEMENT

### PREAMBLE

#### Overview

- This Scheme of arrangement (hereinafter referred to as the “**Scheme**”) is presented under the provisions of Section 233 of the Companies Act, 2013 read with Rule 25 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016 under fast track route which provides for amalgamation of Zuari Commodity Trading Limited (“**ZCTL**” or “**Transferor Company**”) with Zuari Finserv Limited (“**ZFL**” or “**Transferee Company**”).
- The Transferor Company is wholly owned subsidiary of Transferee Company, hence, in consideration Transferee Company will not issue any shares under the Scheme of Arrangement. Consequently, the existing holding of transferee Company in transferor Company shall get cancelled.
- The dissolution of Transferor Company without process of winding-up.
- In addition, the Scheme also provide for various other matters consequential or otherwise integrally connected herewith.

#### A. Description of Companies

##### 1.1 Zuari Commodity Trading Limited (CIN: U27205GA2008PLC013836) (“Transferor Company” or “ZCTL”)

- (a) **Incorporation:** Zuari Commodity Trading Limited was incorporated on June 27, 2008 as a public Company under the 1956 Act (as hereinafter defined).
- (b) **Registered Office and e-mail address:** The registered office of ZCTL is situated at Jai Kisaan Bhawan, Zuarinagar, Goa- 403726 and its e-mail address is cs@adventz.zuarimoney.com.
- (c) **Business:** ZCTL is mainly engaged in the business of providing commodity trading services to the clients and the performance of this segment is by and large depends on the commodity prices and the global market trends.
- (d) **Main Objects:** The main objects as appearing in Clause III A of its Memorandum of Association are as follows:

*“1. To carry on in India or elsewhere either on its own or in alliance with any other person, Body/Body corporate incorporated in India or abroad, either under strategic alliance or joint venture of any other arrangement, the business of trading agricultural products, Metals including precious Metals, precious stones and diamonds, oil, gas, petroleum and energy products and all other commodities and securities in spot market and in futures and all kind of derivatives of all above commodities and securities.*

*2. To carry on the business of brokers, sub-brokers, Market Makers, arbitragers, aggregator, investor and/or hedgers, in agricultural products, metals including precious metals precious stones and diamonds, oil, gas, petroleum and energy products and all other commodities*

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*and securities in spot market and in futures and all kind of derivatives of all above commodities and securities permitted under the laws of India.*

*3. To become trading member or clearing member and participate in trading settlement and other activities of any commodities exchange facilitating for itself or for clients, traders and dealing/settlement of trading in spots, in futures and in derivatives of all the above commodities permitted under the laws of India.*

*4. To act as Broker/Member, specified by Commodity Exchange for any or all types of commodities and to become a Broker/Member of any or all Commodities Exchanges to enter into forward contracts, hedging contracts, to carry on business of dealing in any commodity market, sale and purchase of future/options/derivatives, whether traded on any exchange or otherwise and any other incidental activities related thereto, for itself or for clients, all over India or elsewhere outside India."*

(e) ZCTL is not listed on any stock exchange.

1.2 **ZUARI FINSERV LIMITED (CIN: U45400GA2013PLC007383) ("Transferee Company" or "ZFL")**

(a) **Incorporation:** Zuari Finserv Limited was originally registered and incorporated with the name of Horizonview Developers Private Limited on December 14, 2013 as a Private Company under the 1956 Act. The name of the Company was changed to Zuari Finserv Private Limited on April 04, 2017; further the Company was converted from Private Limited Company into Public Limited Company on October 06, 2018.

(b) **Registered Office and e-mail address:** The registered office of ZFL is situated at Jai Kisaan Bhawan, Zuarinagar, Goa- 403726 and its e-mail address is cs@adventz.zuarimoney.com.

(c) **Business:** ZFL is engaged in the business of investments and financial services e.g. stock broking, depository services, merchant banking, portfolio management, registrar and share transfer agent, distribution of mutual fund products, direct sale agent for real estate and mortgages.

(d) **Main Objects:** The main objects as appearing in Clause III A of its Memorandum of Association are as under:

*"1. To carry on business as an investment Company and to acquire and hold and otherwise deal in shares, stocks, debentures, debenture stocks, bonds, obligations and securities issued or guaranteed by any Company and debentures, debentures stocks, bonds, obligations and securities issued or guaranteed by any government, sovereign, ruler, commissioner, public body or authority supreme, municipal, local or otherwise, whether in India or abroad.*

*2. To acquire any such shares, stocks, debentures, debenture stock, bonds, obligations or securities by original subscription, tender, purchase, exchange or otherwise and to subscribe for the same, either conditionally or otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof.*

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3. *To invest in and otherwise deal in gold, silver and other precious metals and all articles and merchandise of all kinds either ready or for forward delivery.*

4. *To carry on business of Merchant Banking and portfolio management and to act as Stock Brokers, Depository Participant, Custodian, Registrars/Share Transfer Agents, Mutual Fund Distributors, Direct Sale Associates, Dealers, underwriters, sub-underwriters, agents and brokers and to manage funds of investors by investment in various avenues and to pass on the benefits of portfolio investments to the investors and to provide complete range of personal financial services like investment planning, tax planning.*

5. *To act as Broker/ Member, specified by Stock Exchange for any or all types of Securities and to become a Broker/Member of any or any or all Stock Exchanges to enter into forward contracts, hedging contracts, to carry on business of dealing in any Security market, sale and purchase of future/options/derivatives, whether traded on any exchange or otherwise and any other incidental activities related thereto, for itself or for clients, all over India or elsewhere outside India."*

(e) ZFL is not listed on any stock exchange.

## **B. Purpose, Rationale and Benefits of the Scheme**

The rationale for the Scheme is, inter alia, as follows:

ZCTL is the wholly owned subsidiary of ZFL, engaged in the business of commodity trading, whereas ZFL is engaged in the business of stock broking, depository services etc., which is having good growth potential. Further, SEBI has allowed trading in equity and commodity market via a single entity. Therefore, brokers providing equity and commodity trading facility can integrate both their companies into one entity which will allow traders to trade in equity and commodity via a single Company.

Accordingly, the Scheme envisages, inter alia, merger of ZCTL with ZFL which will lead to concentrated and focused management attention to the businesses being undertaken by the Transferee Company and integrated approach towards such service oriented businesses thus assisting in their faster growth and development;

- The independent operations of the Transferor Company and Transferee Company leads to incurrence of significant costs and the amalgamation would enable economies of scale by attaining critical mass and achieving cost saving. The amalgamation will thus eliminate a multi-layered structure and reduce managerial overlaps, which are necessarily involved in running multiple entities and also prevent cost duplication that can erode financial efficiencies of a holding structure and the resultant operations would be substantially cost-efficient. This Scheme would result in simplified corporate structure of the Transferee Company and its businesses, thereby leading to more efficient utilization of Capital and creation of a consolidated base for future growth of the Transferee Company.
- The amalgamation will contribute in furthering and fulfilling the objectives and business strategies of both the companies thereby accelerating growth, expansion and development of the respective businesses through the Transferee Company. The amalgamation will thus enable further expansion of the Transferee Company and provide a strong and focused base to undertake the business more

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advantageously. Further, this arrangement would bring concentrated management focus, integration, streamlining of the management structure, seamless implementation of policy changes and shall also help enhance the efficiency and control of the Transferee Company.

- The synergies created by Scheme of arrangement would increase operational efficiency and integrate business functions.
- The proposed arrangement will provide greater integration and flexibility to the Transferee Company and strengthen its position in the industry, in terms of the asset base, revenues, product and service range.

The Scheme of arrangement would inter alia benefit on account of the following reasons:-

- Optimus and efficient utilization and rationalization of capital, resources, assets and facilities;
- Enhancement of competitive strengths including financial resources;
- Obtaining synergy benefits;
- Better management and focus on growing the businesses;
- Reduction of overheads, administrative, managerial and other expenditure.
- Simplify shareholding structure and reduce shareholding tiers.
- To achieve greater integration and greater financial strength and flexibility, to maximise overall shareholder value.
- The merger will result in a significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by both the Transferor Company and the Transferee Company.
- The creditors, if any, are not adversely affected by the proposed merger as there is no compromise.



### **C. Parts of the Scheme**

The Scheme is divided into following parts:

- Part I : Definitions and Interpretations
- Part II : Capital Structure
- Part III : Amalgamation, Transfer and vesting of Undertaking; and
- Part IV : Dissolution of Transferor Company
- Part V : General terms and conditions



PART I  
DEFINITIONS AND INTERPRETATIONS

**1.1. Definitions**

The expressions, which are used in this Scheme and not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the 1956 Act or 2013 Act (as hereinafter defined), the Income Tax Act, 1961, and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

In addition to the words and expressions defined elsewhere in this Scheme, unless contrary or repugnant to the subject, context or meaning thereof, the following words and expressions shall have the meanings as set out hereunder:

- a) **"1956 Act"** means the Companies Act, 1956, including the rules and regulations made thereunder (including any alterations, modifications, amendments made thereto and/or any re-enactment thereof) as applicable and for the time being in force and reference to sections/provisions of the 1956 Act shall be deemed to include reference to corresponding sections/relevant provisions of the 2013 Act;
- b) **"2013 Act"** means the Companies Act, 2013, including the rules and regulations made thereunder (including any alterations, modifications, amendments made thereto and/or any re-enactment thereof) as applicable and for the time being in force;
- c) **"Appointed Date"** means 1<sup>st</sup> April 2018 or such other date as the Central Government (Powers delegated to Regional Director) (*as defined hereinafter*) may direct, which shall be the date with effect from which this Scheme shall be deemed to have become operative and with effect from which date the business of Transferor Company (as hereinafter defined) shall get merged and shall stand vested in the Transferee Company.
- d) **"Effective Date"** means the last of the dates on which the certified or authenticated copy of the orders of the Central Government or by the Hon'ble National Company Law Tribunal, Mumbai Bench, in the event the Scheme is referred by the Central Government to the National Company Law Tribunal, sanctioning the Scheme are filed with the Registrar of Companies by the Transferor Company and by the Transferee Company.
- e) **"Articles of Association"** in relation to the Transferor Company and the Transferee Company, as the case may be, means the articles of association of such Company;
- f) **"Memorandum of Association"** in relation to the Transferor Company and the Transferee Company, as the case may be, means memorandum of association of such Company;
- g) **"Board"** or **"Board of Director"** in relation to the Transferor Company and the Transferee Company, as the case may be, means the board of directors of the respective companies for the time being and shall include a committee of directors, if any constituted or appointed and authorised to take any decision for the



implementation of the Scheme of behalf of the Board of Directors;

- h) **“Governmental Authority”** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or committee or any court, tribunal, board, bureau, instrumentality, judicial or quasi-judicial or arbitral body having jurisdiction over the territory of India;
- i) **“Central Government”** means Regional Director, Western Region, Mumbai, Ministry of Corporate Affairs or such other authority as may be prescribed under the Companies Act, 2013 and rules made thereunder.
- j) **“The Tribunal” or “NCLT”** means the Mumbai bench of the National Company Law Tribunal;
- k) **“Transferor Company” or “ZCTL”** means Zuari Commodity Trading Limited (CIN: U27205GA2008PLC013836) incorporated under the provisions of the 1956 Act and having its registered office at Jai Kisaan Bhawan, Zuarinagar, Goa-403726;
- l) **“Transferee Company” or “ZFL”** means Zuari Finserv Limited (CIN: U45400GA2013PLC007383) incorporated under the provisions of the 1956 Act and having its registered office at Jai Kisaan Bhawan, Zuarinagar, Goa – 403726.
- m) **“Undertaking”** means the entire undertaking of the Transferor Company, inter alia, engaged in the business of commodity trading, and shall include the following:
  - (i) all assets of the Transferor Company wherever situated, as are movable in nature, whether present, future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal, including without limitation capital work in progress including any capital expenditure on projects pending commencement of operations and project expenditure incurred, furniture, fixtures, appliances, accessories, office equipment, communication facilities, installations, vehicles, utilities, current assets, actionable claims, earnest monies, security deposits and sundry debtors, inter corporate deposits, financial assets and accrued benefits thereto, insurance claims recoverable, prepaid expenses, outstanding loans and advances recoverable in cash or in kind or for value to be received (including capital advances), provisions, receivables, funds, cheques, bills of exchange and other negotiable instruments, cash and bank balances and deposits including accrued interests thereon with Governmental Authority, other authorities, bodies, customers and other persons, benefits of any bank guarantees, performance guarantees, corporate guarantees, letters of credit and tax related assets (including MAT credit, Goods and Service tax (GST), service tax input credit, CENVAT credit, value added tax, sales tax, entry tax or any other tax credits or set-offs and all tax incentives, benefits, exemptions, deductions and refunds) (**“Movable Assets”**);
  - (ii) all immovable properties (i.e., land together with the buildings and structures standing thereon or under construction), whether freehold, leasehold, on leave and license basis or otherwise, of the Transferor Company including any tenancies in relation to office space, godowns,

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warehouses, guest houses and residential premises including those provided to / occupied by the Transferor Company's Employees (as defined hereinafter) and documents of title, rights and easements in relation thereto and all plant and machineries constructed on or embedded or attached to any such immovable properties and all rights, covenants, continuing rights, title, benefits and interests in connection with the said immovable properties ("**Immovable Properties**");

- (iii) investments of the Transferor Company in the form of shares, scrips, stocks, bonds, debentures, debenture stock, units or pass through certificates and other securities and instruments, including all rights, interest and entitlement in relation thereto and rights and options exercised and application or subscription made for or in relation thereto. ("**Investments**");
- (iv) all licenses, registrations, permissions, clearances, authorizations, approvals, consents, no-objections, municipal permissions, allotments, permits, quotas and exemptions of the Transferor Company, including all rights, benefits, privileges, powers, facilities, entitlements flowing therefrom, including any pending application in relation thereto ("**Licenses**");
- (v) all grants, subsidies, concessions, incentives, benefits and entitlements etc. under any statute, rules or regulations or any incentive or other Schemes or policies or order or notification, including under Goods and service tax (GST), customs, central excise, service tax, VAT, sales tax, entry tax or any other indirect tax laws and income tax laws and all other direct or indirect tax benefits, exemptions, deductions, credits, payments, deferrals, to the extent statutorily or otherwise available to the Transferor Company along with associated obligations ("**Incentives, Benefits, Concessions and Entitlements**");
- (vi) all contracts, agreements, memorandum of understanding, bids, expressions of interest, letters of intent, letters of commitments, letters of understanding, hire purchase, deferred payment and other arrangements, undertakings, deeds, bonds, investments and interest in the projects undertaken by the Transferor Company, including insurance covers and other instruments of whatsoever nature and description, whether written, oral or otherwise, to which the Transferor Company is a party, or to the benefit of which the Transferred Company may be eligible ("**Contracts**");
- (vii) all intellectual property rights of the Transferor Company, including pending applications, computer programs, software (whether embedded in hardware or in any other form), source codes, parameterization and scripts, registrations, goodwill, logos, trade names, trademarks, service marks, copyrights, moral rights, patents, technical know-how, trade secrets, domain names, e-mail IDs, development rights, finished and ongoing research and development programs and all such rights of whatsoever description and nature, whether or not registered, owned or licensed, including any form of intellectual property which is under development / in progress ("**Intellectual Property**");
- (viii) all employees of the Transferor Company, whether permanent or temporary, as on the Effective Date and whose services are transferred to

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the Transferee Company ("**Transferred Employees**") and contributions, made towards any provident fund, pension funds, superannuation funds, gratuity fund, employees state insurance, staff welfare Scheme or any other special Schemes, funds or benefits, existing for the benefit of such Transferred Employees ("**Funds**"), together with such of the investments made by these Funds and income/interest accrued thereon;

- (ix) all loans, debts, borrowings, obligations, duties, forward contract liability, cash credits, bills discounted, deferred payments and other dues and liabilities (including present, future and contingent liabilities) pertaining to or arising out of activities or operations of the Transferor Company, including obligations relating to guarantees in respect of borrowings and other liabilities and obligations ("**Liabilities and Obligations**");
- (x) all civil, criminal, revenue, taxation or other legal proceedings or show-cause notice, enquiries or investigations of whatsoever nature (including those before any Governmental Authority) that pertain to the Transferor Company, initiated by or against the Transferor Company, or to which the Transferor Company is otherwise a party, whether pending as on the Appointed Date or instituted at any time thereafter ("**Proceedings**");
- (xi) all rates, taxes, duties, cess related liabilities and assets (including advance tax, self-assessment tax, tax deducted at source, MAT and other credits under income tax law, Goods and service tax (GST), service tax input credit, CENVAT credit, value added tax, sales tax, entry tax or any other tax credits under any indirect tax law and availability, carry forward, deferral, set off, and / or adjustment of losses, incentives, entitlements, benefits, exemptions, depreciations and deductions under any direct or indirect tax laws etc.), including refunds along with interest due thereon, credits and claims relating thereto of the Transferor Company ("**Tax Liabilities and Assets**"); and
- (xii) all books, records, files, papers, software, technical, engineering and process information, charts, programs, design, drawings, databases, catalogues, quotations, advertising materials, lists of present and former customers / credit / suppliers contractors and sub-contractors etc., and all other books and records, whether in physical or electronic form, of the Transferor Company ("**Books and Records**").



## 1.2 Interpretations

1.2.1 In this Scheme, unless the context otherwise requires:

- (a) references in this Scheme to **“upon this Scheme becoming effective”** or **“upon the Scheme taking effect”** or **“effectiveness of this Scheme”** or **“upon the order of the Central Government sanctioning the Scheme becoming effective”** and such similar phrases shall mean the Effective Date of the Scheme;
- (b) references to the singular includes a reference to plural and vice versa and reference to any gender includes a reference to all other genders;
- (c) reference to persons shall include individuals, bodies corporate (wherever incorporated or un-incorporated), associations and partnerships;
- (d) headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- (e) references to a paragraph or Schedule shall be deemed to be a reference to a paragraph or Schedule of this Scheme;
- (f) reference to the words ‘hereof’, ‘herein’ and ‘hereby’ and derivatives or similar words refer to this entire Scheme;
- (g) references to the words “including”, “*inter alia*” or any similar expression, shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and
- (h) any reference to any statute or statutory provision shall include:
  - (i) all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and
  - (ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

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**PART II**  
**CAPITAL STRUCTURE**

2.1. The share capital of the Transferor Company as on 31<sup>st</sup> January 2019 is as under:

<b>Authorised Share Capital</b>	<b>Amount (Rs.)</b>
50,00,000 equity shares of Rs. 10 each	5,00,00,000
<b>Total</b>	<b>5,00,00,000</b>
<b>Issued, Subscribed and Paid up Share Capital</b>	<b>Amount (Rs.)</b>
18,50,000 equity shares of Rs. 10 each	1,85,00,000
<b>Total</b>	<b>1,85,00,000</b>

Subsequent to the aforesaid date, there has been no change in the authorized, issued, subscribed and paid-up equity share capital of the Transferor Company.

2.2. The share capital of the Transferee Company as on 31<sup>st</sup> January 2019 is as under:

<b>Authorised Share Capital</b>	<b>Amount (Rs.)</b>
2,50,10,000 equity Shares of Rs. 10/- each	25,01,00,000
<b>Total</b>	<b>25,01,00,000</b>
<b>Issued, Subscribed and Paid up Share Capital</b>	<b>Amount (Rs.)</b>
1,99,98,426 equity Shares of Rs. 10/- each	19,99,84,260
<b>Total</b>	<b>19,99,84,260</b>

Subsequent to the aforesaid date, there has been no change in the authorized, issued, subscribed and paid-up equity share capital of the Transferee Company.



## PART III

### AMALGAMATION, TRANSFER AND VESTING OF UNDERTAKING

#### 3.1 Transfer & Vesting of Undertaking

Upon the Scheme taking effect from the Appointed Date, pursuant to the sanction of the Scheme by the Central Government, in accordance with the provisions of Sections 233 and other applicable provisions, if any, of the Act and read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the entire business and the whole of the Undertaking shall stand transferred to and be vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing to be made, done or executed so as to become, as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in the Scheme/ in the following manner:

#### 3.2.1 Transfer of Assets

- (a) Such of the assets as movable in nature or are otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same shall stand transferred to and be vested in the Transferee Company and shall become the property of the Transferee Company. The vesting pursuant to this paragraph shall be deemed to have occurred by physical or constructive delivery or by endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly, without requiring execution of any deed or instrument of conveyance for the same.
- (b) Such of the assets as represent Investments, registered and / or held in any form by or beneficial interest wherein is owned by the Transferor Company, the same shall stand transferred / transmitted to and be vested in and / or be deemed to have been transferred / transmitted to and vested in the Transferee Company, together with all rights, benefits and interest therein or attached thereto, without any further act or deed and thereupon the Transferor Company shall cease to be the registered and / or the beneficial owner of such Investments. The Transferor Company shall be deemed to be holding such Investments for and on behalf of and in trust for and for the benefit of the Transferee Company and all profits or dividends and other rights or benefits accruing / paid / distributed on such Investments and all taxes thereon, or losses arising or expenses incurred relating to such Investments, shall, for all intent and purposes, be treated as the profits, dividends, rights, benefits, taxes, losses or expenses, as the case may be, of the Transferee Company .
- (c) Such of the Movable Assets belonging to the Transferor Company other than those specified in paragraph 3.2.1 (a) and 3.2.1 (b) hereof, including sundry debtors, outstanding loans and advances recoverable in cash or in kind or value to be received, bank balances and deposits, the same shall (notwithstanding whether there is any specific provision for transfer of credits, assets or refunds under the applicable laws, wherever applicable), without any further act, instrument or deed by the Transferor Company or the need for any endorsements, stand transferred from the Transferor Company, to and in favour of the Transferee Company. Any security, lien, encumbrance or charge created over any assets in relation to the loans, debentures or borrowings or any other amounts due to the Transferor Company, shall, without any further act or deed,



stand transferred to the benefit of the Transferee Company and the Transferee Company will have all the rights of the Transferor Company to enforce such security, lien, encumbrance or charge, by virtue of this Scheme.

- (d) All Immovable Properties and all rights, title, interest, covenants and easements etc. in connection with such Immovable Properties, shall stand transferred to and be vested in and be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed done/executed or being required to be done / executed by the Transferor Company, the Transferee Company shall be entitled to avail, exercise and enjoy all rights and privileges attached to the Immovable Properties and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or as applicable to such Immovable Properties.

### 3.2.2 Licenses

All Licenses shall stand transferred to and be vested in the Transferee Company, without any further act or deed done by the Transferor Company and be in full force and effect in favour of the Transferee Company, as if the same were originally given to, 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.

### 3.2.3 Incentives, Benefits, Concessions and Entitlements

All Incentives, Benefits, Concessions and Entitlements under any statute, rule, regulation, Scheme, policy, order or notification that the Transferor Company is entitled to, shall, to the extent statutorily available and along with associated obligations, stand transferred to and be available to the Transferee Company as if the Transferee Company was originally entitled to the same.

### 3.2.4 Contracts

- (a) All Contracts which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and be in full force and effect in favour of the Transferee Company without any further act or deed and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.
- (b) All guarantees provided by any bank in favour of the Transferor Company, outstanding as on the Effective Date, shall vest in the Transferee Company and shall enure to the benefit of the Transferee Company and all guarantees issued by the bankers of the Transferor Company at the request of the Transferor Company, favouring any third party shall be deemed to have been issued at the request of the Transferee Company and continue in favour of such third party till its maturity or earlier termination.

### 3.2.5 Intellectual Property

All the Intellectual Property shall stand transferred to and be vested in the Transferee Company and be in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor

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Company, the Transferee Company had been a party or beneficiary or obligee thereto.

### 3.2.6 **Transferred Employees**

- (a) All the Employees shall be deemed to have become the employees of the Transferee Company, and shall stand transferred to and be deemed to have been transferred to the Transferee Company without any interruption of service and on terms and conditions no less favourable to them than those on which they were engaged by the Transferor Company at the time of such transfer, including in relation to the level of remuneration and contractual and statutory benefit, incentive plans, terminal benefits, gratuity plans, provident plans and any other retirement benefits to which they are entitled as on the Effective Date.
- (b) the Transferee Company shall take into account the period of employment of all the Transferred Employees with the Transferor Company prior to their transfer, for the purposes of determining their eligibility and entitlement to the benefits to which they may be eligible and entitled, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and other retirement benefits and accordingly, all such benefits shall be reckoned from their respective date of appointment in the Transferor Company. The Transferee Company shall pay to Transferred Employees all such benefits to which they are entitled, as and when it becomes due and payable under the applicable laws.

For avoidance of doubt, in relation to those Transferred Employees for whom the Transferor Company is making contributions to the Government provident fund, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including in relation to the obligation to make contributions to such funds in accordance with the provisions of such funds, bye-laws, etc. in respect of the Transferred Employees.

- (c) All contributions made by the Transferor Company on behalf of the Transferred Employees and all contributions made by the Transferred Employees including the interests arising on such contributions, to the Funds and standing to the credit of such Transferred Employees' account with such Funds, shall, upon this Scheme becoming effective, be transferred to the funds maintained by the Transferee Company along with such of the investments made by such Funds which are referable and allocable to the Transferred Employees and the Transferee Company shall stand substituted for the Transferor Company with regard to the obligation to make the said contributions.
- (d) The contributions made by the Transferor Company under applicable law in connection with the Transferred Employees, to the Transferor Undertaking Funds, for the period after the Appointed Date shall be deemed to be contributions made by the Transferee Company.
- (e) The Transferee Company shall continue to abide by the agreement(s) and settlement(s) entered into by the Transferor Company, with Transferred Employees, in terms of such agreement(s) and settlement(s) as subsisting on the date of transfer and as on the Effective Date, in relation to the Transferred Employees.



### 3.2.7 Transfer of Liabilities and Obligations

- (a) All Liabilities and Obligations shall, to the extent they are outstanding as on the Effective Date, without any further act, instrument or deed, stand transferred to and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations, etc., as the case may be, of the Transferee Company and shall be exercised by or against the Transferee Company, as if it had incurred such Liabilities and Obligations.
- (b) The Transferee Company alone shall be liable to meet, discharge and satisfy the Liabilities and Obligations as the borrower / creditor in respect thereof.
- (c) This Scheme shall not operate to enlarge or extend the security for any of the Liabilities and Obligations and the Transferee Company shall not be obliged to create any further or additional security after the Effective Date, unless otherwise agreed to by the Transferee Company with such secured creditors and subject to the consent and approval of the existing secured creditors of the Transferee Company. Further, this Scheme shall not operate to enlarge or extend the security for any loan, deposit, credit or other facility availed by the Transferee Company, in as much as such security shall not extend to any of the assets forming part of the Transferor Company.
- (d) In so far as the existing security in respect of the Liabilities and Obligations is concerned, such security shall, without any further act, instrument or deed, be modified and shall be extended to and shall operate only over the assets forming part of the Transferor Company, which have been charged and secured and subsisting as on the Effective Date, in respect of the Liabilities and Obligations. Provided that if any of the assets forming part of the Transferor Company have not been charged or secured in respect of the Liabilities and Obligations, such assets shall remain unencumbered and the existing security referred to above shall not be extended to and shall not operate over such assets.
- (e) It shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such Liabilities and Obligations have arisen in order to give effect to the provisions of this paragraph.
- (f) It is expressly provided that, save as mentioned in this paragraph 3.2.7, no other term or condition of the Liabilities and Obligations is modified by virtue of this Scheme, except to the extent that such amendment is required by necessary implication.

### 3.2.8 Proceedings

All Proceedings transferred from the Transferor Company to the Transferee Company pursuant to the Scheme, shall not abate or be discontinued or in any way be prejudicially affected by reason of the merger of the Transferor Company with the Transferee Company or by anything contained in this Scheme. All such Proceedings shall continue uninterrupted by or against the Transferee Company and consequently, any prosecution by or against the Transferee Company shall be enforced in the same manner and to the same extent as it would or might have been continued, prosecuted or enforced by or against the Transferor Company, as if no such Merger or transfer had taken place. The Transferee Company shall take



necessary action to have such Proceedings relating to or connected with the Transferor Company subsisting on the Effective Date, whether initiated by or against the said Transferor Company, transferred in the name of the Transferee Company as soon as possible, and have the same continued, prosecuted and enforced by or against the Transferee Company. Consequently, the Transferee Company shall be liable to pay or secure all amounts including interest, penalties, damages, etc., arising from such Proceedings for which the Transferor Company may have been liable to pay or secure in respect of any liability or obligation of the Transferor Company for the period from the Appointed Date up to the Effective Date including any costs incurred by the Transferor Company in respect of such Proceedings started by or against it relating to the period from the Appointed Date up to the Effective Date, upon submission of necessary evidence by the Transferor Company to the Transferee Company in respect of the same.

### 3.2.9 **Tax Liabilities and Assets**

All Tax Liabilities and Assets that are allocable, referable or related to the Transferor Company, shall, for all intent and purposes, become and be treated as and deemed to be the Tax Liability and Assets of the Transferee Company.

### 3.2.10 **Books and Records**

All Books and Records, to the extent possible and permitted under applicable laws, be handed over by Transferor Company to and shall become the property of the Transferee Company.

## 3.3 **Conduct of Business of Transferor Undertaking**

### 3.3.1 With effect from the Appointed Date and up to the Effective Date:

- (a) The Transferor Company shall carry on the businesses with reasonable diligence and commercial prudence and (except as otherwise approved by the Transferee Company) in the same manner as it had been doing hitherto;
- (b) The Transferor Company shall carry on and shall be deemed to have carried on all its respective business activities and shall hold and stand possessed of and be entitled to and shall be deemed to have held and stood possessed of and entitled to all the respective Movable Assets, Immovable Properties, Investments, Licences, Incentives, Benefits, Concessions and Entitlements, Contracts, Intellectual Property, including all rights, title, interest in any of the aforesaid and all orders, decisions, authorisations etc., for and on account of and in trust for the Transferee Company;
- (c) All the Transferred Liabilities and Obligations including duties and commitments attached, related or pertaining to the Transferor Company shall be undertaken, fulfilled and met and shall be deemed to have been undertaken, fulfilled and met for and on account of and in trust for the Transferee Company; and

### 3.3.2 All the profits and incomes accruing or arising to the Transferor Company and all expenditure or losses arising or incurred by the Transferor Company shall, for all purposes, be treated and be deemed to be the profits and incomes or expenditures and losses, as the case may be, of the Transferee Company.



- 3.3.3 All the Movable Assets and Immovable Properties acquired, leased or licensed, Investments made, Licenses obtained, Incentives, Benefits, Concessions and Entitlements granted / availed or became eligible for or entitled to, Contracts entered into, Intellectual Property developed or registered or applications made thereto, Transferred Liabilities and Obligations incurred and Proceedings initiated or made party to, between the Appointed Date and till the Effective Date by the Transferor Company shall be deemed to have been done for and on behalf of the Transferee Company and be transferred to and vested in the Transferee Company. For avoidance of doubt, where any of the Transferred Liabilities and Obligations as on the Appointed Date (deemed to have been transferred to the Transferee Company) have been discharged by the Transferor Company on or after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company for all intent and purposes and under all applicable laws. With effect from the Effective Date, the Transferee Company shall carry on and shall be authorised to carry on the business as is attributable to the Transferor Company and till such time as the name of account holder in the respective bank accounts of the Transferor Company opened / allocated is substituted by the bank in the name of the Transferee Company, pending such substitution, the Transferee Company shall be entitled to operate such bank accounts of the Transferor Company, in its name as successor of the Transferor Company or as may otherwise be permissible, in so far as may be necessary.
- 3.3.4 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the Merger and vesting of the Transferor Company into the Transferee Company occurs by virtue of Part III of this Scheme itself, the Transferee Company may, at any time after the Effective Date, in accordance with the provisions hereof, if so required under applicable law or otherwise, give notice in such form, as may be required or as it may deem fit and proper or enter into or execute deeds (including deeds of adherence), confirmations, novations, declarations or other writings or documents as may be necessary and carry out and perform all such formalities and compliances, for and on behalf of the Transferor Company, including, with or in favour of and required by (i) any party to which the Transferor Company is a party; or (ii) any Governmental Authority or non-government authority, in order to give formal effect to the provisions of this Scheme. Provided that execution of any confirmation or novation or other writings or arrangements shall in no event postpone the giving effect to this Scheme from the Effective Date.
- 3.3.5 To the extent possible, pending sanction of this Scheme, the Transferor Company or the Transferee Company shall be entitled to apply to the relevant Governmental Authorities and other third parties concerned, as may be necessary under any law or contract for transfer or modification of such consents, approvals and sanctions which the Transferee Company may require to own and carry on the business of the Transferor Company with effect from the Effective Date.
- 3.3.6 For the purpose of giving effect to the Central Government Sanction Order, the Transferee Company shall, upon this Scheme becoming effective, be entitled to get the record of the change in the legal right(s) standing in the name of the Transferor Company in its favour in accordance with such order and the provisions of Sections 233 of the 2013 Act.

### **3.4 Consideration**

- 3.4.1 Transferor Company is wholly owned subsidiary of the Transferee Company. As a result, upon this Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company and the entire issued, subscribed and paid up capital of the Transferor Company shall stand cancelled.
- 3.4.2 Upon the coming into effect of this Scheme, the share certificates, if any, and/or the shares representing the shares held by the Transferee Company in the Transferor Company shall be deemed to be cancelled without any further act or deed.

### **3.5 Increase in Authorised Share Capital of the Transferee Company**

- 3.5.1 Upon the Scheme coming into effect, the authorised share capital of the Transferee Company in terms of its Memorandum of Association and Articles of Association shall automatically stand enhanced without any further act, instrument or deed on the part of the Transferee Company, including payment of stamp duty and fees payable to Registrar of Companies, by an amount of Rs. 5,00,00,000/- (Rupees Five Crore only), and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14, 61, 64 and any other applicable provisions of the 2013 Act would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on authorised share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased.
- 3.5.2 Subsequent to enhancement of authorized share capital of the Transferee Company as contemplated herein, existing clause V of the Memorandum of Association of the Transferee Company (pertaining to authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 14, 61 and 233 and other applicable provisions of the 2013 Act as the case may be and be replaced by the following clause:

*"The Authorised Share Capital of the Company is Rs. 30,01,00,000/- (Rupees Thirty Crores One Lakh only) divided into 3,00,10,000 (Three Crores Ten Thousands only) equity shares of Rs. 10/- (Rupees Ten only) each."*

- 3.6 The Scheme does not contain any reduction in the share capital of the Transferee Company as per Section 66 of the 2013 Act.



### 3.7 Amendment to the Object clause of the Transferee Company

- 3.7.1 Upon this Scheme becoming effective, the main object clause IIIA of the Memorandum of association of the Transferee Company shall be amended as follows:

*"1. To carry on business as an investment company and to acquire and hold and otherwise deal in shares, stocks, debentures, debenture stocks, bonds, obligations and securities issued or guaranteed by any company and debentures, debentures stocks, bonds, obligations and securities issued or guaranteed by any government, sovereign, ruler, commissioner, public body or authority supreme, municipal, local or otherwise, by original subscription, tender, purchase, exchange or otherwise and to subscribe for the same, either conditionally or otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof whether in India or abroad.*

*2. To carry on in India or elsewhere either on its own as brokers, sub-brokers, Market Makers, arbitragers, aggregator, investor and/or hedgers or in alliance with any other person, Body/Body corporate incorporated in India or abroad, either under strategic alliance or joint venture of any other arrangement, the business of trading agricultural products, Metals including precious Metals, precious stones and diamonds, oil, gas, petroleum and energy products and all other commodities and securities in spot market and in futures and all kind of derivatives of all above commodities and securities permitted under the laws of India..*

*3. To invest in and otherwise deal in gold, silver and other precious metals and all articles and merchandise of all kinds either ready or for forward delivery.*

*4. To become trading member or clearing member and participate in trading settlement and other activities of any commodities exchange facilitating for itself or for clients, traders and dealing/settlement of trading in spots, in futures and in derivatives of all the above commodities permitted under the laws of India.*

*5. To carry on business of Merchant Banking and portfolio management and to act as Stock Brokers, Depository Participant, Custodian, Registrars/Share Transfer Agents, Mutual Fund Distributors, Direct Sale Associates, Dealers, underwriters, sub-underwriters, agents and brokers and to manage funds of investors by investment in various avenues and to pass on the benefits of portfolio investments to the investors and to provide complete range of personal financial services like investment planning , tax planning.*

*6. To act as Broker/ Member, specified by Exchanges including Stock exchanges and Commodity exchanges for any or all types of Securities/commodities and to become a Broker/Member of any or any or all Exchanges including Stock exchanges and Commodity exchanges to enter into forward contracts, hedging contracts, to carry on business of dealing in any Security market, Commodity market, sale and purchase of future/ options/ derivatives, whether traded on any exchange including Stock exchanges and Commodity exchanges or otherwise and any other incidental activities related thereto, for itself or for clients, all over India or elsewhere outside India." "*

- 3.7.2 Upon this Scheme becoming effective, it shall be deemed that the shareholders of the Transferee Company have also resolved and accorded to relevant consents as applicable under Section 13 of the 2013 Act. It is further clarified that there will be no need to pass a separate shareholders' resolution as required under Section 13 of the 2013 Act for the amendments of the Memorandum of Association of the Transferee Company as above. Pursuant to this Scheme, the Transferee Company shall file the

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requisite forms with the Registrar of Company, Goa, for amending the main objects in accordance with the clause 3.7.1 of this Scheme.

### **3.8 Accounting Treatment**

The amalgamation of the Transferor company with the transferee company shall be accounted for in accordance with "Pooling of interest method" as per Appendix C of Indian Accounting Standard (IND AS) 103 for Business Combinations prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting standard) Rules, 2015, as may be amended from time to time such that -

- (a) Upon the Scheme becoming effective and with effect from the Appointed Date, for the purpose of accounting for and dealing with the value of the assets and liabilities in the books of the Transferee Company, the Transferee Company shall record all the assets and liabilities of the Transferor Company transferred to and vested in the Transferee Company pursuant to this Scheme, at their respective book values as appearing in the books of the Transferor Company.
- (b) The Transferee Company shall preserve the identity of the reserves of the Transferor Company transferred to and vested in the Transferee Company and shall record in its books in the same form in which they appear in the books of the Transferor Company.
- (c) No new shares will be issued or allotted by the Transferee Company pursuant to this scheme.
- (d) Loans and advances, receivables, payables and other dues outstanding between the Transferor Company and Transferee Company will stand cancelled and there shall be no further obligation/outstanding in that behalf.

### **3.9 Saving of concluded transactions**

The Merger and vesting of the Transferor Company into the Transferee Company under Part III of the Scheme, shall not affect any transaction or Proceedings already completed or Transferred Liabilities and Obligations incurred by the Transferor Company, either prior to or on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company shall accept and adopt all acts, deeds and things done and executed by or on behalf of the Transferor Company in respect thereto as acts, deeds and things done and executed by and on behalf of itself



**PART IV**  
**DISSOLUTION OF THE TRANSFEROR COMPANY**

**4.1    Dissolution of the Transferor Company**

Upon this Scheme becoming effective, without any further act, instrument or deed, the Transferor Company shall stand dissolved without winding-up, and the Board of Directors and any committees thereof of the Transferor Company shall without any further act, instrument or deed stand dissolved.

**4.2    Upon the Scheme taking effect, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.**

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## PART V

### GENERAL TERMS AND CONDITIONS

#### **5.1. Applications to the Central Government**

The Transferor Company and the Transferee Company shall make, as applicable, joint or separate applications / petitions under Sections 233 and other applicable provisions of the 2013 Act to the Central Government having jurisdiction for sanction of this Scheme under the provisions of law and for consequent actions and further applications / petitions under Sections 230 to 232 and other applicable provisions of the 2013 Act including for sanction / confirmation / clarification of the Scheme or connected therewith, as necessary.

#### **5.2. Approvals**

The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to own the Undertaking and to carry on the business of the Transferor Company.

#### **5.3. Revision of accounts and tax filings, modification of charge**

- 5.3.1 Upon this Scheme becoming effective and from the Appointed Date, Transferee Company is expressly permitted to revise and file their respective income tax returns and other statutory returns, including tax deducted at source returns, Goods and service tax (GST) returns service tax returns, excise tax returns, sales tax and value added tax returns, as may be required / applicable and expressly reserved the right to make such revision in their returns and to claim refunds or credits etc. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have lapsed.
- 5.3.2 Filing of the certified copy of the Central Government Sanction Order with the relevant Registrar of Companies shall be deemed to be sufficient for creating or modifying the charges in favour of the secured creditors, of the Transferor Company and the Transferee Company, as required as per the provisions of this Scheme.

#### **5.4. Tax neutrality**

- 5.4.1 The merger in accordance with this Scheme shall be pursuant to and in compliance with:
- (a) the provisions of Section 2(1B) of the Income Tax Act, 1961; and
  - (b) the conditions relating to "Merger" as specified under Section 2(1B) of the Income Tax Act, 1961, or any modification or re-enactment thereof.
- 5.4.2 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 any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect other parts of this Scheme.

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## **5.5. Modifications and Amendments to the Scheme**

- 5.5.1 Notwithstanding anything to the contrary contained in this Scheme, the Transferor Company and the Transferee Company (acting through their respective Board of Directors or a committee thereof or their authorised representative(s)) may make or assent, from time to time, to any modifications, amendments, clarifications or confirmations to this Scheme, which they deem necessary and expedient or beneficial to the interests of the stakeholders and / or as may be approved or imposed or directed by the respective shareholders and / or creditors and / or by the Central Government.
- 5.5.2 The Transferor Company and the Transferee Company (acting through their respective Board of Directors or a committee thereof or their authorised representative(s)) shall be authorised to take all such steps and give such directions, as may be necessary, desirable or proper, to resolve any doubts, difficulties or questions that may arise in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or orders of the Central Government or any other authorities or otherwise, howsoever arising out of or under or by virtue of this Scheme or any matter concerned or connected therewith and to do and execute all acts, deeds, matters and things necessary for giving effect to this Scheme.
- 5.5.3 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the authorised representative of the Transferor Company and the Transferee Company may give and are hereby authorised to determine and give all such directions as are necessary and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

## **5.6. Non Receipt of Sanctions or Approval**

- 5.6.1 Notwithstanding anything to the contrary contained herein, the non-receipt of any sanctions or approvals for transfer of a particular asset or liability forming part of the Transferor Company pursuant to this Scheme, shall not affect the effectiveness of this Scheme, if the Board of Directors of the Transferor Company and the Transferee Company so decide.

## **5.7. Conditionality of the Scheme**

This Scheme is conditional upon and subject to the following:

- (i) The Scheme being agreed to by the requisite majority of the respective classes of members and creditors of the Transferor Company and of the Transferee Company as required under the Act and the requisite orders of the Central Government being obtained; and
- (ii) Approval of concerned regulators, if and as required under the applicable regulations for merger of the Transferor Company into Transferee Company; and



- (iii) The authenticated/certified copies of the orders of the Central Government, or the Hon'ble National Company Law Tribunal, Mumbai Bench, as the case may be, sanctioning this Scheme being filed with the Registrar of Companies, Goa.

Accordingly, this Scheme although operative from the Appointed Date shall become effective on the Effective Date, being the last of the dates on which the conditions referred to above have been fulfilled.

#### **5.8. Revocation and withdrawal of this Scheme**

The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel, withdraw and declare this Scheme to be of no effect at any stage, but before the Effective date, and where applicable re-file, at any stage in case (a) this Scheme is not approved by the Central Government or if any other consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not received or delayed; (b) any condition or modification imposed by the Central Government and / or any other authority is not acceptable; (c) the coming into effect of this Scheme in terms of the provisions hereof or filing of the drawn up order(s) with any Governmental Authority could have adverse implication on either of the Transferor Company and the Transferee Company; or (d) for any other reason whatsoever, and do all such acts, deeds and things as they may deem necessary and desirable in connection therewith and incidental thereto. On revocation, cancellation or withdrawal, this Scheme shall stand revoked, cancelled or withdrawn 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 creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each party shall bear its own costs, unless otherwise mutually agreed.

#### **5.9. Severability**

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

#### **5.10. Mutation of property**

Upon the Scheme taking effect and with effect from the Appointed Date, the title to the immovable properties of the Transferor Undertaking shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing of the certified true copy of the Court Sanction Order with the appropriate Registrar or Sub-registrar of Assurances or with the relevant Government agencies shall suffice

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as record of continuing title of the immovable properties of the Transferor Undertaking with the Transferee Company, upon this Scheme becoming effective and shall constitute a deemed mutation and substitution thereof.

**5.11. Dividend**

5.11.1 The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders, as may be decided by their respective Board of Directors, in respect of the accounting period prior to the Effective Date.

5.11.2 It is clarified that the aforesaid provisions in respect of declaration of dividends is an enabling provision only and shall not be deemed to confer any right on any shareholder of either of the Transferor Company and the Transferee Company to demand or claim any dividends, which subject to the provisions of the 2013 Act and/or 1956 Act, as applicable), shall be entirely at the discretion of the Board of Directors of the Transferor Company and the Transferee Company, as the case may be, subject to such approval of the respective shareholders, as may be required.

**5.12. Costs and expenses**

All costs, expenses, charges, taxes, fees and all other expenses, including stamp duty and registration charges, arising out of or incurred in carrying out and implementing the terms of this Scheme and the incidentals thereto shall be borne and paid by the Transferee Company.



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