

COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT

AMONGST

**MAX VENTURES AND INDUSTRIES LIMITED
("MVIL" or "Transferor Company")**

AND

**MAX ESTATES LIMITED
("MEL" or "Transferee Company")**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

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



I. PREAMBLE

This Composite Scheme of Amalgamation and Arrangement ("**Scheme**") is presented pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactments or amendments thereof) and rules made thereunder for *inter alia*:

- a. Amalgamation (as defined hereinafter) of Max Ventures and Industries Limited ("**MVIL**" or "**Transferor Company**") with Max Estates Limited ("**MEL**" or "**Transferee Company**"); and
- b. Various other matters incidental, consequential or otherwise integrally connected herewith.

II. DESCRIPTION OF COMPANIES

- A. MVIL (formerly known as Capricorn Ventures Limited), is a public limited company, incorporated under the provisions of the Companies Act, 2013 and rules made thereunder on January 20, 2015, having Corporate Identification Number L85100PB2015PLC039204. MVIL has its registered office located at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. S.B.S. Nagar (Nawanshahr), Punjab – 144533.

The equity shares of MVIL are listed on the National Stock Exchange of India Ltd. ("**NSE**") and the BSE Limited ("**BSE**"). The Transferor Company is primarily engaged in the real estate sector through its investments in its subsidiaries and also provides management consultancy services to the group companies.

As on March 31, 2022, the Promoters & Promoter Group holds 49.57% equity shares of MVIL and the balance 50.43% equity shares are held by the public shareholders. Further, MVIL, *inter alia*, owns 100% equity shares of MEL, the Transferee Company.

- B. MEL, is a public limited company, incorporated under the provisions of the Companies Act, 2013 and rules made thereunder on March 22, 2016, having Corporate Identification Number U70200PB2016PLC040200. MEL has its registered office located at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. S.B.S. Nagar (Nawanshahr), Punjab – 144533.

MEL is engaged in the development of real estate, directly and indirectly through its subsidiaries and joint ventures. MEL is a wholly owned subsidiary of MVIL i.e. 100% of the share capital of MEL is held by MVIL and its nominees.

III. RATIONALE FOR THE SCHEME

The Transferor Company and the Transferee Company are part of the same group wherein the Transferor Company (directly and through its nominees) owns 100% of the share capital of the Transferee Company. The Scheme is a part of an overall re-organization plan to rationalize and streamline the existing group structure. Further, the Scheme is expected to provide the following benefits:

- a) The Amalgamation would lead to simplification of the existing holding structure and reduction of shareholding tiers to remove impediments, if any, in facilitating future expansion plans and create enhanced shareholder value;
- b) Consolidation of businesses presently being carried on by the Transferor Company and the Transferee Company, which shall create greater operational synergies and efficiencies at multiple levels of business operations and shall provide significant impetus to their growth;



- c) The Amalgamation would result in financial resources being efficiently pooled, leading to centralized and more efficient management of funds, greater economies of scale and a bigger and stronger resource base for future growth, which are presently divided amongst two separate corporate entities within the group;
- d) Pooling of proprietary information, personnel, financial, managerial and other resources, thereby contributing to the future growth of the merged entity;
- e) The Transferor Company and the Transferee Company operate businesses that complement each other and therefore, can be conveniently combined for mutual benefit of the shareholders;
- f) Simplicity in working, reducing various statutory and regulatory compliances and related costs, which presently have to be duplicated, reduction in operational and administrative expenses and overheads, better cost and operational efficiencies and it would also result in coordinated optimum utilization of resources; and
- g) This Scheme shall be in the beneficial interest of all the stakeholders including the shareholders of the Transferor company.

In these circumstances, it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company in the manner and on the terms and conditions stated in this Scheme.

IV. PARTS OF THE SCHEME

This Scheme is divided into the following parts:

- Part I** : deals, *inter-alia*, with Definitions and Interpretations used in the Scheme;
- Part II** : contains particulars of share capital of the Companies;
- Part III** : deals with the Amalgamation of the Transferor Company with the Transferee Company, its consideration, accounting treatment and other related matters; and
- Part IV** : deals with general terms and conditions that are applicable to this Scheme.

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PART I
DEFINITIONS AND INTERPRETATIONS

1. DEFINITIONS

1.1. In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings respectively assigned against them:

- (i) **"Accounting Standards"** means the Indian Accounting Standards as notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and the other accounting principles generally accepted in India;
- (ii) **"Act" or "the Act"** means the Companies Act, 2013 (to the extent of the sections thereof that have been brought into force) and shall include any statutory modification, re-enactment thereof or amendments thereto from time to time and the Companies Act, 1956 (to the extent its provisions are in force) and shall include any statutory modification, re-enactment thereof or amendments thereto for time to time;
- (iii) **"Amalgamation"** means the amalgamation of the Transferor Company (as defined hereinafter) with the Transferee Company (as defined hereinafter) as per Part III of this Scheme;
- (iv) **"Amalgamation Equity Shares"** means the equity shares of the Transferee Company to be issued and allotted to the shareholders of the Transferor Company under Clause 18.1 of this Scheme;
- (v) **"Applicable Laws"** means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, notifications, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinances, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force; and (b) administrative interpretation, writ, injunction, directions, directives, judgements, arbitral award, decree, orders or governmental approvals of, or agreements with, any Appropriate Authority;
- (vi) **"Appointed Date"** means the April 1, 2022 (opening business hours) or such other date as may be decided or approved by the Tribunal or such other Appropriate Authority and accepted by the Board of Directors;
- (vii) **"Appropriate Authority"** means and includes any applicable center/ state/ local Governmental, statutory, regulatory, departmental, or public body or authority or agency, including but not limited to the Central Government, the Tribunal, SEBI, RBI;
- (viii) **"Board of Directors" or "Board"** means Board of Directors of the Transferor Company and the Transferee Company or both as the context may require means the Board of Directors of such company and shall include a committee duly constituted and authorized thereby for matters pertaining to this Scheme and/ or any other consequential or incidental matter in relation thereto;
- (ix) **"Central Government"** means the Regional Director, Northern Region, in the Ministry of Corporate Affairs, Government of India;
- (x) **"Companies"** means collectively, the Transferor Company and the Transferee Company.
- (xi) **"Effective Date"** means the date on which the Scheme shall become effective pursuant to Clause 29.1 of Part IV of this Scheme. Any references in this Scheme to the date of *"Scheme becoming effective"* or *"coming into effect of this Scheme"* or *"effectiveness of the Scheme"* or *"Scheme taking effect"* shall mean the Effective Date;
- (xii) **"Encumbrance" or "Encumber"** means any mortgage charge, pledge, lien, as assignment, hypothecation, security interest, etc., the effect of which is the creation of security, or any other



right to acquire or option, any right of first refusal or any right of pre-emption, or any agreement or arrangement to create any of the same;

- (xiii) **"Income Tax Act"** means the Income Tax Act, 1961 and shall include any statutory modification, re-enactment thereof or amendments thereto for time to time and the rules and regulations made thereunder;
- (xiv) **"INR"** means Indian Rupees;
- (xv) **"MVIL ESOP Plan 2016"** means Max Ventures and Industries Employee Stock Plan – 2016 of the Transferor Company pursuant to which stock options have been granted till date or may be granted between the Appointed Date and the Effective Date, to the eligible employees of the Transferor Company (as defined hereinafter) and its subsidiaries including employees of the Transferee Company (as defined hereinafter);
- (xvi) **"NCLT" or "Tribunal"** means the National Company Law Tribunal, Chandigarh Bench at Chandigarh having jurisdiction over the Transferor Company and the Transferee Company and shall include, if applicable, such other forum or authority as may be vested with the powers of the NCLT under the Act;
- (xvii) **"RBI"** means the Reserve Bank of India;
- (xviii) **"Record Date(s)"** means the date fixed by the Board of Directors of the Transferor Company or committee thereof, if any, in consultation with the Board of Directors of the Transferee Company for the purpose of determining the shareholders of Transferor Company who shall be entitled to receive equity shares of the Transferee Company, as consideration as per Clause 18.1 of this Scheme;
- (xix) **"Registrar of Company" or "ROC"** means the Registrar of Companies, Chandigarh;
- (xx) **"Scheme" or "this Scheme" or "the Scheme"** shall mean this Composite Scheme of Amalgamation and Arrangement amongst the Transferor Company and the Transferee Company and their respective shareholders and creditors pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Act in its present form and with such modifications and amendments as may be made from time to time with the appropriate approvals and sanctions of the NCLT and other relevant regulatory/ statutory/ governmental authorities, as may be required under the Act, and/ or any other applicable laws;
- (xxi) **"Share Entitlement Report"** means the valuer report on the share entitlement ratio dated April 18, 2022 issued by Mr. Abhinav Agarwal, Registered Valuer (IBBI Registration No. IBBI/RV/06/2019/12564);
- (xxii) **"SEBI"** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- (xxiii) **"SEBI Circular"** means the Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 issued by SEBI (as amended);
- (xxiv) **"Stock Exchanges"** means the National Stock Exchange of India Limited and the BSE Limited;
- (xxv) **"Tax" or "Taxes"** means any and all taxes (direct or indirect), surcharges, cess, duties, impositions imposed by any Governmental Entity, including without limitation taxes based upon or measured by gross receipts, income, profits, sales and value added services, Goods & Services Tax (GST), whether CGST, SGST, IGST, withholding taxes, payroll, excise and property taxes, stamp duty, registration fees, together with all interest, penalties with respect to such amounts;
- (xxvi) **"Transferee Company"** shall mean Max Estates Limited as defined in Clause II(B) above; and



(xxvii) "Transferor Company" shall mean Max Ventures and Industries Limited as defined in Clause II(A) above.

1.2. Capitalized terms defined by inclusion in quotations and / or parenthesis have the meanings so ascribed herein. Capitalized terms which are not otherwise defined shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the rules, regulations made thereunder), the Depositories Act, 1996, the Income Tax Act and other Applicable Laws.

2. INTERPRETATIONS

2.1. All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act 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.

2.2. Reference to Clauses, recitals, and schedules, unless otherwise provided, are to Clauses, recitals and schedules of and to this Scheme. The singular shall include the plural and vice versa.

2.3. The headings and sub-headings are for information only and shall not affect the construction of this Scheme.

2.4. Any phrase introduced by the terms "including"; "include" or any similar expression shall be construed as illustrative and shall not limit the sense of words preceding those terms.

3. DATE OF COMING INTO EFFECT

The Scheme as set out herein in its present form or with any modification(s) as may be approved or imposed or directed by the NCLT or made in accordance with the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

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PART II

SHARE CAPITAL

4. SHARE CAPITAL

4.1. The share capital of MVIL as on March 31, 2022 is as under:

Share Capital	Amount (In INR)
Authorized share capital	
15,00,00,000 Equity Shares of INR 10 each	1,50,00,00,000
TOTAL	1,50,00,00,000
Issued, subscribed and paid up share capital	
14,69,46,648 Equity Shares of INR 10 each	1,46,94,66,480
TOTAL	1,46,94,66,480

Promoters and promoter group hold equity shares constituting 49.57% stake in MVIL and balance 50.43% stake in MVIL is held by the public shareholders. As on the March 31, 2022, the list of promoters and promoter group of the Transferor Company is as follows:

S No	Name	Category
1.	Mr. Analjit Singh	Promoter
2.	Mrs. Neelu Analjit Singh	Promoter
3.	Ms. Piya Singh	Promoter
4.	Mr. Veer Singh	Promoter
5.	Mrs. Tara Singh Vachani	Promoter
6.	Mr. Ravi Vachani	Promoter Group
7.	Max Ventures Investment Holdings Private Limited	Promoter
8.	Siva Enterprises Private Limited	Promoter

The equity shares of the Transferor Company are listed on the NSE and the BSE.

Subsequent to March 31, 2022 and till April 18, 2022 i.e. the date of the Board meeting in which the Scheme is approved by the Board of MVIL, there has been no change in the authorized, issued, subscribed and paid up equity share capital of MVIL.

Besides above, as of March 31, 2022, MVIL has granted 13,02,326 employee stock options to the eligible employees under the MVIL ESOP Plan 2016 out of which 45,011 options have been vested but are yet to be exercised and 7,84,144 options are unvested. Thus, in pursuance of the MVIL ESOP Plan 2016, certain employee stock options may get vested and/or exercised due to which additional equity shares may be issued & allotted before the Effective Date.

4.2. The share capital of MEL as on December 31, 2021 is as under:

Share Capital	Amount (In INR)
Authorized share capital	
7,80,00,000 Equity Shares of INR 10 each	78,00,00,000
TOTAL	78,00,00,000
Issued, subscribed and paid up share capital	
7,79,10,000 Equity Shares of INR 10 each	77,91,00,000
TOTAL	77,91,00,000

Subsequent to December 31, 2021 and till April 18, 2022 i.e. the date of the Board meeting in which the Scheme is approved by the Board of MEL, there has been no change in the authorized, issued, subscribed and paid up equity share capital of MEL. The equity shares of MEL are, at present, not listed on any stock exchange, whether in India or in any other country.

5. COMPLIANCE WITH TAX LAWS



5.1. The Amalgamation of the Transferor Company into the Transferee Company shall be in full compliance with the conditions relating to "Amalgamation" as provided under Section 2(1B) and other related provisions of the Income Tax Act such that, *inter alia*:

- a) all the properties of the Transferor Company, immediately before the Amalgamation, shall become the properties of the Transferee Company, by virtue of the Amalgamation;
- b) all the liabilities of the Transferor Company, immediately before the Amalgamation, shall become the liabilities of the Transferee Company, by virtue of the Amalgamation; and
- c) shareholders holding at least three fourths in value of the shares in the Transferor Company, will become shareholders of the Transferee Company by virtue of the Amalgamation.

Further, this Scheme complies with the conditions relating to "Amalgamation" as specified under Section 2(1B), Section 47 and other relevant sections and provisions of the Income Tax Act and is intended to apply accordingly. If any terms or clauses or provisions of the Scheme is/ are found to be or interpreted to be inconsistent with any of the said provisions (including the conditions set out therein) at a later date whether as a result of a new enactment or any amendment or coming into force of any provision of the Income Tax Act or any other law or any judicial or executive interpretation or for any other reasons whatsoever, the provisions of the said Sections of the Income Tax Act shall prevail and the Scheme to stand modified to the extent necessary to comply with said Sections of the Income Tax Act. Such modification will however not affect other parts of the Scheme.

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PART III

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

6. Pursuant to the sanction of this Scheme by the NCLT in accordance with the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, and upon this Scheme becoming effective, the entire business and undertaking of the Transferor Company shall be and stand transferred to and be vested in or be deemed to have been transferred to and be vested in the Transferee Company with effect from the Appointed Date together with all assets, properties, estate, rights, title and authorities, benefits, claims, liabilities and interest therein of every description, subject to existing charges thereon in favour of the banks and financial institutions or otherwise, as the case may be, whether or not included in the books of accounts of the Transferor Company without any further act, instrument or deed, matter or thing to be made, done or executed so as to become, as and from the Appointed Date, business and undertaking of the Transferee Company together with all assets, properties, estate, rights, title and authorities, benefits, claims, liabilities and interest therein of every description, by virtue of and in the manner provided in this Scheme.

7. TRANSFER OF ASSETS

- 7.1. Without prejudice to the generality of 6 above, with effect from the Appointed Date, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Transferor Company, of whatsoever nature and wherever situated, whether or not included in the books of the Transferor Company shall, subject to the provisions of this Clause in relation to the mode of vesting and without any further act, deed matter or thing, be and stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Transferee Company so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest authorities of the Transferee Company.
- 7.2. In respect of such of the assets of the Transferor Company as are movable in nature or are otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same may be so transferred by the Transferor Company and shall become the property of the Transferee Company with effect from the Appointed Date without requiring any deed or instrument of conveyance for transfer of the same.
- 7.3. In respect of such of the assets belonging to the Transferor Company other than those referred to in Clause 7.1 above, the same shall, as more particularly provided in Clause 7.2 above, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company with effect from the Appointed Date.
- 7.4. Any assets acquired by the Transferor Company after the Appointed Date but prior to the Effective Date shall upon coming into effect of the Scheme and also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the Transferee Company upon coming into effect of this Scheme.

8. CONTRACTS, DEEDS, LICENCES ETC.

- 8.1. Upon coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds agreements, schemes, arrangements and other instruments of whatsoever nature to which the Transferor Company are a party or to the benefit of which the Transferor Company may be eligible or for the obligations of which the Transferor Company may be liable, and which are subsisting or having effect on the Appointed Date, shall continue in full force and effect on or against or in favor, as the case may be, of the Transferee Company and may be enforced a fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.



- 8.2. Without prejudice to the other provisions of this Scheme, the Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so require under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company are 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, under the provisions of Part III of this Scheme, be deemed to be authorized to execute any such writings as a successor of the Transferor Company and to carry out perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- 8.3. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon coming into effect of this Scheme and subject to Applicable Laws, all consents, permissions, licenses, certificates, clearances, authorities, power of attorney given by, issued to or executed in favor of the Transferor Company shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favor 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. The Transferee Company shall make applications to any Appropriate Authority as may be necessary in this behalf.
- 8.4. Any contracts, deeds, bonds agreements, schemes, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible or for the obligations of which the Transferor Company may be liable, entered by the Transferor Company after the Appointed Date but prior to the Effective Date shall upon coming into effect of this Scheme also without any further act, instrument or deed shall, continue to be in force and effect on or against or in favor, as the case may be, of 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.
- 8.5. Without prejudice to the provisions of Clause 8.1 to Clause 8.4, with effect from the Appointed Date and upon occurrence of the Effective Date, all transactions between the Transferor Company and the Transferee Company, if any, that have not been completed, shall stand cancelled and cease to operate.

9. TRANSFER OF DEBTS AND LIABILITIES

- 9.1. With effect from the Appointed Date, all debts, liabilities, loans raised and used, duties and obligations of the Transferor Company, whether or not recorded in its books and records shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to be transferred to and vested in the Transferee Company to the extent that they are outstanding on the Appointed Date so as to become as and from the Appointed Date the debts, liabilities, loans, obligations and duties of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts or liabilities have arisen in order to give effect to the provisions of this Clause 9.
- 9.2. Where any of the liabilities and obligations of the Transferor Company, as on the Appointed Date, deemed to be transferred to the Transferee Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company, and all liabilities and obligations incurred by the Transferor Company after the Appointed Date and prior to the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same to the exclusion of the Transferor Company.
- 9.3. All Encumbrances, if any, existing prior to the Appointed Date over the assets of the Transferor Company shall, after the Appointed Date, without any further act, instrument or deed, continue



Signature



to relate and attach to such assets or any part thereof to which they are related or attached prior to the Appointed Date.

Provided further 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 Amalgamation 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 Scheme becomes operative.

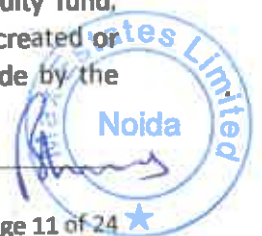
- 9.4. Without prejudice to the provisions of the foregoing Clauses, the Transferee Company shall execute any instrument(s) and/ or document(s) and/ or do all acts and deeds as may be required, including the filing of necessary particulars and/ or modification(s) of charge, with the jurisdictional ROC to give formal effect to the above provisions, if required.
- 9.5. Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause 9 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/ or superseded by the forgoing provisions.

10. LEGAL, TAXATION AND OTHER PROCEEDINGS

- 10.1. Upon coming into effect of this Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal or courts), by or against the Transferor Company, under any statute, pending on the Appointed Date, shall be continued and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against as the case may be on the Transferee Company.
- 10.2. The Transferee Company shall have all legal, taxation or other proceedings initiated by or against the Transferor Company referred to in Clause 10.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferee Company, as a successor of the Transferor Company.

11. EMPLOYEES

- 11.1. On the Scheme becoming effective all employees of the Transferor Company as on the Effective Date shall be deemed to become the employees of the Transferee Company, without any break or interruption in their services and on the basis of continuity of service, on the terms & conditions no less favorable than existing terms & conditions including benefits, incentives, employee stock options etc., on which they are engaged as on the Effective Date by the Transferor Company. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon coming into effect of the Scheme and subject to the provisions of Section 196 and 197 of the Act, securities laws and other Applicable Laws, Mr. Sahil Vachani, Managing Director and CEO of the Transferor Company shall become the Managing Director and CEO of the Transferee Company for the remaining tenure of office as the Managing Director and CEO of the Transferor Company and on the similar terms and conditions as already approved by the Shareholders of the Transferor Company and no further approval of the Shareholders of the Transferor Company and the Transferee Company would be required to be passed separately in this connection. The Board of Directors of the Transferee Company shall be at liberty to fix the remuneration of Mr. Sahil Vachani as its Managing Director and CEO for his residual term of office, within the overall limits of remuneration approved earlier by the shareholders of the Transferor Company.
- 11.2. Upon the Effective Date and with effect from the Appointed Date, all contributions to funds and schemes in respect of provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes or benefits created or existing for the benefit of such employees of the Transferor Company shall be made by the



Transferee Company in accordance with the provisions of such schemes or funds and Applicable Law. For the avoidance of doubt, it is clarified that upon this Scheme becoming effective; the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose shall be treated as having been continuous. The Transferee Company undertakes that for the purpose of payment of any retrenchment compensation, severance pay, gratuity and other statutory / leave / terminal benefits to the employees of the Transferor Company, the past services of such employees with the Transferor Company shall also be taken into account and the Transferee Company shall make the payment of retrenchment compensation, severance pay, gratuity and other statutory / leave / terminal benefits accordingly, as and when such amounts are due and payable.

- 11.3. Subject to Applicable Law, the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, the staff welfare scheme and any other schemes or benefits created by the Transferor Company for the employees shall be continued on the same terms and conditions and/or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company without any separate act or deed/ approval. In regard to provident fund, it is clarified that the employees of the Transferor Company are currently covered under the Max Financial Services Limited Employees Provident Fund Trust, which is not being transferred to the Transferee Company. The Transferee Company shall make all necessary arrangement as required in respect of payment pertaining to provident fund to the employees of the Transferor Company and its own employees.

12. TREATMENT OF TAXES AND CONSEQUENTIAL MATTERS RELATING TO TAX

This Scheme complies with the conditions relating to "Amalgamation" as specified under Section 2(1B), Section 47 and other relevant sections and provisions of the Income Tax Act and is intended to apply accordingly. If any terms or clauses or provisions of the Scheme is/ are found to be or interpreted to be inconsistent with any of the said provisions (including the conditions set out therein) at a later date whether as a result of a new enactment or any amendment or coming into force of any provision of the Income Tax Act or any other law or any judicial or executive interpretation or for any other reasons whatsoever, the provisions of the said sections of the Income Tax Act shall prevail and the Scheme to stand modified to the extent necessary to comply with said sections of the Income Tax Act. Such modification will however not affect other parts of the Scheme.

12.1. Upon this Scheme becoming effective:

- a) To the extent required, the Transferor Company and the Transferee Company shall be permitted to revise and file their respective income tax returns along with the prescribed forms, filings and annexures under the Income Tax Act, withholding tax returns, sales tax, value added tax, goods and service tax, central sale tax, entry tax, goods and services tax returns and any other tax returns: Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired; and
- b) The Transferee Company shall be entitled to: (a) claim deduction with respect to items such as provisions expenses etc. disallowed in earlier years in the hands of the Transferor Company, which may be allowable in accordance with the provisions of the Income Tax Act on or after the Appointed Date and (b) exclude items such as provisions reversals, etc. for which no deduction or Tax benefit has been claimed by the Transferor Company prior to the Appointed Date.

12.2. Upon the Scheme becoming effective, notwithstanding anything to the contrary contained in the provisions of this Scheme, minimum alternate Tax credit, if any of the Transferor Company as on the Appointed Date, shall, for all purposes, be treated as minimum alternate Tax credit of the Transferee Company.



- 12.3. Upon the Scheme becoming effective, the Transferee Company shall be entitled to claim refunds (including refunds or claims pending with the Tax authorities) or credits, with respect to taxes paid by, for, or on behalf of, the Transferor Company under Applicable Law (including Tax laws).
- 12.4. Upon the Scheme becoming effective, all Taxes (including advance Tax payments, Tax deducted at source, minimum alternate Tax, refunds etc.), cess, duties and liabilities (direct and indirect), payable or receivable, by or on behalf of the Transferor Company, shall, for all purposes, be treated as Taxes (including advance Tax payments, Tax deducted at source, minimum alternate Tax, refunds etc.), cess, duties and liabilities, as the case may be, payable or receivable by the Transferee Company.
- 12.5. Upon the Scheme becoming effective, all unavailed credits, carry forward of losses, statutory benefits and exemptions and other statutory benefits, including in respect of income tax, CENVAT customs, value added tax, sales tax, service tax, entry tax and good and service tax to which the Transferor Company are entitled shall be available to and vest in the Transferee Company without any further act or deed.
- 12.6. Any Tax liability under the Income Tax Act, or any other applicable Tax laws or regulations allocable to the Transferor Company whether or not provided for or covered by any tax provisions in the accounts of the Transferor Company made as on the Appointed Date shall be transferred to the Transferee Company. Any surplus in the provision for Taxation or duties or levies in the accounts of the Transferor Company including advance Tax and Tax deducted at source as on the Appointed Date will also be transferred to the account of the Transferee Company.
- 12.7. All Tax assessment proceedings and appeals of whatsoever nature by or against the Transferor Company, pending or arising as at the Appointed Date, shall be continued and/ or enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. Further, the proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of the Amalgamation of the Transferor Company with the Transferee Company or anything contained in this Scheme.
- 12.8. Any refund under the Income Tax Act or any other tax laws related to or due to the Transferor Company including those for which no credit is taken as on the Appointed Date, shall also belong to and be received by the Transferee Company.
- 12.9. Upon the Effective Date, any Tax deposited, certificates issued or returns filed by the Transferor Company relating to the Transferor Company shall continue to hold good as if such amounts were deposited, certificates were issued and returns were filed by the Transferee Company.
- 12.10. All the expenses in relation to the amalgamation of the Transferor Company with the Transferee Company as per this Scheme, including stamp duty expenses, if any, shall be incurred and allowed as deduction to the Transferee Company in accordance with Section 35DD of the Income Tax Act over a period of 5 (five) years beginning with the previous year in which this Scheme becomes effective.
- 12.11. Without prejudice to the generality of the above, all benefits, incentives, claims, losses, credits (including income Tax, service Tax, excise duty, goods and service Tax and applicable state value added Tax) to which the Transferor Company are entitled to in terms of applicable Tax laws shall be available to and vest in the Transferee Company from the Appointed Date.

13. CORPORATE APPROVALS

- 13.1. Benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, shall without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company by



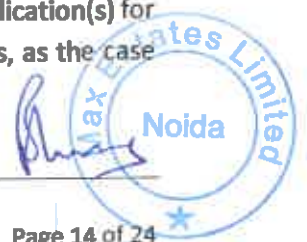
operation of law, and the said corporate approvals and compliances shall be deemed to have originally been taken/complied with by the Transferee Company.

- 13.2. The resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, 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 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. For purposes of clarity, upon this Scheme becoming effective, the borrowing limits of the Transferee Company in terms of Section 180 of the Act shall without any further act or deed, stand enhanced by the Transferor Company's Liabilities, such limits being incremental to the existing limits of the Transferee Company, with effect from the Appointed Date.

14. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

With effect from the Appointed Date and until the Effective Date:

- 14.1. The Transferor Company shall, respectively, carry on, continue carrying on and/or deemed to be carrying on their business and activities and shall hold possession of all of their properties and assets in trust for the Transferee Company.
- 14.2. The Transferor Company shall not without prior written intimation to the Transferee Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose of their undertakings or any part thereof except in the ordinary course of business nor shall they undertake any new businesses and shall carry on their business and activities with reasonable diligence, business prudence in the ordinary course consistent with past practices.
- 14.3. All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising to or incurred by the Transferor Company shall for all purposes and intent be treated and be deemed to be as the profits or incomes or expenditure or losses of the Transferee Company.
- 14.4. All assets acquired, leased or licensed, licenses obtained, benefits, entitlements, incentives and concessions granted, contracts entered into, intellectual property developed or registered or applications made thereto, liabilities incurred and proceedings initiated or made party to, from the Appointed and till the Effective Date by the Transferor Company shall be deemed to be transferred and vested in the Transferee Company.
- 14.5. The Transferor Company shall not vary the terms and conditions of employment of any of its employees except in the ordinary course of business or without the prior written consent of the Transferee Company or pursuant to any of its pre-existing obligation undertaken as the case may be, prior to the Effective Date.
- 14.6. The Transferee Company shall be entitled, pending the sanction of this Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as maybe necessary under any relevant law for obtaining consents, approvals and sanctions which the Transferee Company may require and deem necessary to carry on the business of the Transferor Company.
- 14.7. Notwithstanding anything contained in this Clause 14, during the pendency of this Scheme, with the prior written consent of the Transferee Company, the Transferor Company, may make any investments (current or non-current) in any other person or raise funds through debt or equity irrespective of whether such actions are not in the ordinary course of business.
- 14.8. The Transferee Company and the Transferor Company shall be entitled to make application(s) for amending, cancelling, and/or obtaining fresh registrations/ licenses/ authorisations, as the case may be, under all applicable laws and legislations.



15. DIVIDEND

- 15.1. During the pendency of this Scheme, the Companies shall be entitled to declare and pay dividends, whether interim and/ or final, to their respective members (whose name is recorded in register of members, or their heirs, executors, administrators or other legal representative, on the cut-off date decided by their respective Board for the purpose of declaration of such dividend) in the ordinary course of business in respect of the accounting period prior to the Effective Date.
- 15.2. In case of declaration/ payment of any dividend as contemplated under Clause 15.1, the shareholders of the other Companies shall not have any express, implied or derivative right or claim to any dividend before, on or after this Scheme becoming effective whether on the basis of the fact that they have, deemed to have or ought to have also received such dividend, or otherwise.
- 15.3. The holders of the shares of the Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.
- 15.4. On and from the Effective Date, the profits of Transferor Company for the period beginning from the Appointed Date shall belong to and be deemed to be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit.
- 15.5. 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 express or implied rights on any member of the Companies to demand or claim any dividend, which, subject to the provisions of the Act, as applicable, shall be entirely at the discretion of the respective Board of Directors, subject to such approval of the members, as may be required.

16. SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets and liabilities of the Transferor Company under Clause 7 and Clause 9 above, the continuance of proceedings under Clause 10 above and the effectiveness of contracts, deeds, bonds, approvals and other instruments under Clause 8 above, shall not affect any transaction or proceedings already concluded by the Transferor Company on or before the Appointed Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf.

17. TRADING OF THE SHARES OF THE TRANSFEROR COMPANY

Subject to Applicable Laws, until the Record Date, the equity shares of the Transferor Company shall continue to be traded on the Stock Exchanges.

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18. CONSIDERATION

18.1. Upon coming into effect of the Scheme, and in consideration of the Amalgamation of the Transferor Company with the Transferee Company, the Transferee Company shall, without any further act or deed and without any further payment, basis the Share Entitlement Report, issue and allot to the shareholders of the Transferor Company (whose name is recorded in the register of members of the Transferor Company as on the Record Date) equity shares of the face value of INR 10/- (Rupees Ten) each in the following manner ("Amalgamation Equity Shares"):

1 (One) equity share having face value of INR 10/- (Rupees Ten only) each fully paid up of the Transferee Company for every 1 (One) equity share having face value of INR 10/- (Rupees Ten only) held in the Transferor Company.

Upon this Scheme becoming effective, the Board of the Transferor Company shall, on the Record Date, provide to the Transferee Company, a list containing particulars of the equity shareholders of the Transferor Company as on the Record Date, along with their respective entitlement to the fully paid-up equity shares of the Transferee Company, pursuant to this Scheme.

18.2. The Amalgamation Equity Shares has been arrived at on basis of the Share Entitlement Report and Sundae Capital Advisors Private Limited, a SEBI registered Category I Merchant Banker, pursuant to the SEBI Circular under its Fairness Opinion dated April 18, 2022 has certified that the Share Entitlement Report in reference to the Scheme, is fair and reasonable.

18.3. In the event that the Transferor Company or the Transferee Company restructure their share capital by way of share split / consolidation / issue of bonus shares during the pendency of this Scheme, the Amalgamation Equity Shares shall be adjusted accordingly to take into account the effect of any such corporate actions.

18.4. Pursuant to the issuance of the Amalgamation Equity Shares as aforesaid to the shareholders of the Transferor Company, the shareholders of the Transferor Company shall become the shareholders of the Transferee Company.

18.5. The shareholders of the Transferor Company shall be entitled to receive the equity shares of the Transferee Company in dematerialized form and shall if required provide details of the depository accounts and such other confirmations as may be required by the Transferee Company. It is only thereupon that the Transferee Company shall be able to issue and directly credit the dematerialized securities account of such member with its equity shares. It is clarified that, each of the members holding equity shares in dematerialized form as on the Record Date shall be issued equity shares of the Transferee Company as per the records maintained by the depository participant. In the event that the Transferee Company receives a notice from any of the shareholders of the Transferor Company that the new equity shares are to be issued in physical form or if any shareholder has not provided the requisite details regarding the account with a depository participant or other confirmations as may be required, then the Transferee Company shall issue the new equity shares in certificate form to such members of the Transferor Company, if permitted by Applicable Law.

18.6. The Amalgamation Equity Shares of the Transferee Company issued in terms of Clause 18.1 of this Scheme will be listed and/ or admitted for trading on the Stock Exchanges where the shares of the Transferor Company are listed and/ or admitted for trading subject to necessary approvals under the SEBI regulations and from the Stock Exchanges and all necessary applications and compliances being made in this respect by the Transferee Company.

18.7. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties, after the effectiveness of this Scheme.



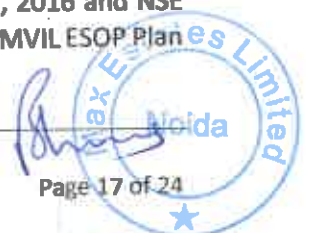
Abhi Chakraborty



- 18.8. The Amalgamation Equity Shares to be issued to the members of the Transferor Company under Clause 18.1 above shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank *pari-passu* with the existing equity shares of the Transferee Company in all respects for the financial year starting from the Appointed Date in terms of the Scheme with the existing equity shares of the Transferee Company.
- 18.9. For the purpose of issue of the Amalgamation Equity Shares to the shareholders of the Transferor Company, the Transferee Company shall be deemed to be in compliance with necessary compliances under relevant provisions of the Act including the provisions and procedure laid down under Section 42 and 62 of the Act for the issue and allotment by the Transferee Company of Amalgamation Equity Shares to the members of the Transferor Company under the Scheme.
- 18.10. With respect to any foreign shareholders of the Transferor Company, the Transferee Company shall comply with the Applicable Laws including RBI guidelines, SEBI regulations, directions and instructions of the Stock Exchanges and applicable provisions of Foreign Exchange Management Act 1999, including the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, to enable it to issue equity shares pursuant to this Scheme.

19. EMPLOYEE STOCK OPTIONS

- 19.1. Upon coming into effect of the Scheme, the Transferee Company shall take necessary steps to formally adopt the MVIL ESOP Plan 2016 of the Transferor Company by taking the same on record by its Board of Directors on the Effective Date of the Scheme including taking note of the subsisting grants made by the Transferor Company to each of its optionees alongwith vesting schedule which will be implemented in the Transferee Company without any further act or deed, on the exercise of the said options by the optionees.
- 19.2. Upon coming into effect of the Scheme, all the stock options under the MVIL ESOP Plan 2016 which have not been granted as on the Effective Date, shall lapse automatically without any further act, instrument or deed by the Transferor Company, the employee or the Transferee Company and without any approval or acknowledgement of any third party.
- 19.3. Upon the Scheme coming into effect, in respect of the stock options granted by the Transferor Company under the MVIL ESOP Plan 2016 which have been granted (whether vested or not) but have not been exercised as on the Effective Date to the eligible Employees (as defined under MVIL ESOP Plan 2016), and in pursuance to adoption of the MVIL ESOP Plan 2016 as aforesaid mentioned under Clause 19.1, the Transferee Company shall grant 1 (one) employee stock options of Transferee Company, in lieu of every 1 (one) stock option (whether vested or unvested) held by such eligible Employees under the MVIL ESOP Plan 2016 in accordance with the Amalgamation Share Entitlement Ratio as mentioned under Clause 18.1 of this Scheme and the existing stock options held by them under the MVIL ESOP Plan 2016 shall stand cancelled. The terms and conditions of the new stock option plan of the Transferee Company shall be as provided under the MVIL ESOP Plan 2016.
- 19.4. While granting stock options, the Transferee Company shall take into account the period for which the employees held stock options granted by the Transferor Company prior to the issuance of the stock options by Transferee Company, for determining the minimum vesting period required for stock options granted by the Transferee Company, subject to applicable laws.
- 19.5. All actions taken in accordance with Clause 19.1 to Clause 19.4 of this Scheme shall be deemed to be undertaken as an integral part of the Scheme and shall be in full compliance of Section 42, 62 and other applicable provisions of the Act and any guidelines or regulations issued by SEBI and no further approval of the shareholders of the Transferor Company and the Transferee Company would be required to be passed separately in this connection. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that the approvals already granted by the Shareholders of the Transferor Company and the in-principle approvals granted by BSE vide its Letter No. DCS/IPO/ND/ESOP-IP/1400/2016-17 dated October 27, 2016 and NSE vide its Letter NSE/LIST/93422 dated November 11, 2016 for and in relation to the MVIL ESOP Plan



2016 shall stand applicable to the Transferee Company and no further approval of the BSE and NSE and the shareholders of the Transferor Company and the Transferee Company would be required to be obtained separately in this connection.

20. LISTING OF SHARES OF THE TRANSFEREE COMPANY

- 20.1. The Transferee Company shall, in accordance with the provisions of Applicable Laws including in particular the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 ("LODR Regulations") and other circulars, notifications and rules issued by SEBI from time to time, after the Sanction of the Scheme by NCLT, take the appropriate/ necessary steps to get the equity shares of the Transferee Company listed on the Stock Exchange(s).
- 20.2. Post listing of the equity shares of the Transferee Company on the Stock Exchanges, it shall comply with the requirement of maintaining public shareholding of at least 25% in the Transferee Company or such other percentage of the minimum public shareholding within such timelines as may be prescribed by the Appropriate Authority or under the Applicable Law from time to time.
- 20.3. Post listing of the equity shares of the Transferee Company on the Stock Exchanges, the equity shares allotted pursuant to this Scheme shall remain frozen in the depository system till the trading permission is granted by the Stock Exchanges.
- 20.4. There shall be no change in the shareholding pattern or control of the Transferee Company between the Record Date and date of listing of shares of the Transferee Company on the Stock Exchanges. The Transferee Company will not issue/ reissue any equity shares, not covered under the Scheme.

21. CANCELLATION OF EXISTING SHARES OF TRANSFEREE COMPANY

- 21.1. Simultaneously, with the issue and allotment of the Amalgamation Equity Shares by the Transferee Company to the equity shareholders of the Transferor Company in accordance with Clause 18.1 above, all the equity shares held by the Transferor Company or its nominees, if any, in the share capital of the Transferee Company, shall, without any further application, act, instrument or deed, be automatically cancelled, extinguished and annulled on and from the Effective Date and the paid up equity capital of the Transferee Company to that effect shall stand cancelled and reduced, which shall be regarded as reduction of share capital of the Transferee Company pursuant to the provisions of Section 66 of the Act.
- 21.2. The reduction in the share capital of the Transferee Company as contemplated in Clause 21.1 above shall be effected as an integral part of this Scheme in accordance with the provisions of Section 230 to 232 of the Act, and any other applicable provisions of the Act. The order of the NCLT sanctioning this Scheme shall also include approval and confirmation of the reduction of share capital of the Transferee Company which shall be deemed to be an order under Section 66 of the Act confirming the reduction and pursuant to the provisions under explanation to Section 230 of the Act, no separate sanction shall be necessary. The consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 66 of the Act as well and no further compliances would be separately required.
- 21.3. The reduction as contemplated above would not involve any diminution of liability in respect of unpaid share capital, if any or payment to any shareholder of any unpaid share capital.
- 21.4. Notwithstanding the aforesaid reduction, the Transferee Company shall not be required to add the words "and reduced" as a suffix to its name consequent upon reduction.



22. CONSOLIDATION OF AUTHORIZED SHARE CAPITAL

- 22.1. Upon this Scheme becoming effective, the authorized share capital of the Transferor Company as set out in this Scheme but prior to the issuance of and allotment of the Amalgamation Equity Shares under Clause 18.1 above, the authorized share capital of the Transferor Company, shall be deemed to be added to and combined with the authorized share capital of the Transferee Company.
- 22.2. Pursuant to the combination/ consolidation of the authorized share capital pursuant to Clause 22.1 above, the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any requirement of a further act, deed, be and stand altered, modified and amended, such that Clause V of the memorandum of association of the Transferee Company shall be replaced by the following:
- "The Authorized Share Capital of the Company is INR 228,00,00,000 (Rupees Two Hundred and Twenty Eight Crore only) divided into 22,80,00,000 (Twenty Two Crore and Eighty Lakh) equity shares of INR 10 (Rupees Ten only) each."*
- 22.3. It is clarified that the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendments and increase of authorized share capital of the Transferee Company pursuant to Clause 22.1 and no further resolution(s) under Section 4, 13, 14 and 61 and all other applicable provisions of the Act, if any, would be required to be passed separately.
- 22.4. In accordance with Section 232(3)(i) of the Act and the Applicable Law, the stamp duties and/ fees (including registration fees) paid on the authorized share capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company pursuant to Clause 22.1 above and no stamp duties and/ fees would be payable for increase in the authorized share capital of the Transferee Company to the extent of fees already paid in relation to the authorized share capital of the Transferor Company.

23. AMENDMENT TO THE OBJECTS CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF TRANSFEREE COMPANY

- 23.1. With effect from the Appointed Date and upon this Scheme becoming effective, the main objects of the Memorandum of Association of the Transferee Company shall be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business activities of the Transferor Company, pursuant to the provisions of Section 13 and any other applicable provisions of the Act. Accordingly, the Memorandum of Association of the Transferee Company shall, upon coming into effect of this Scheme and without any further act or deed, be altered and amended by inserting of the following new Clause 9 immediately after the existing sub-clause 8 specified under Clause III(a) of the Memorandum of Association:
- 9. To carry on the business of providing management and consultancy services, shared services, nurturing the learning and development objectives for acquisition of skills and knowledge*
- 23.2. For the purposes of amendment in the main objects clause of the Memorandum of Association of the Transferee Company as provided in this Clause 23.1, the consent/approval given by the shareholders of the Transferee Company to this Scheme pursuant to Section 230 to 232 and any other applicable provisions of the Act shall be deemed to be sufficient and no further resolution of shareholders of the Transferee Company as required under the provisions of Section 13 and any other applicable provisions of the Act shall be required to be passed for making such change / amendment in the Memorandum of Association of the Transferee Company .
- 23.3. Upon this Scheme becoming effective, the Transferee Company shall file with the ROC all requisite forms and complete the compliance and procedural requirements under the Act, if any, to give effect to amendment in the Memorandum of Association pursuant to Clause 23.1. On filing of the certified copy of this Scheme as sanctioned by the NCLT together with the order of the NCLT for



sanction of this Scheme and a certified copy of the altered Memorandum of Association of the Transferee Company for the purposes of Section 13 and any other applicable provisions of the Act, the ROC shall register the same and make the necessary alteration in the Memorandum of Association of the Transferee Company accordingly and shall certify the registration thereof in accordance with the provisions of Section 13 and any other provisions of the Act.

24. AMENDMENT TO ARTICLES OF ASSOCIATION OF THE TRANSFEREE COMPANY

- 24.1. Upon coming into effect of the Scheme, the Articles of Association of the Transferor Company as at the Effective Date shall *mutatis mutandis* become applicable to the Transferee Company and the Articles of Association of the Transferee Company shall stand replaced by the Articles of Association of the Transferor Company, without the requirement to do any further act or thing.
- 24.2. The abovementioned change, being an integral part of the Scheme, it is hereby provided that the said revision to the Articles of Association of Transferee Company shall be effective by virtue of the fact that the shareholders of the Transferee Company, while approving the Scheme as a whole, have also resolved and accorded the relevant consent as required respectively under the applicable provisions of the Act and shall not be required to pass any separate resolution(s).

25. ACCOUNTING TREATMENT ON AMALGAMATION IN THE BOOKS OF THE TRANSFEROR COMPANY

The Transferor Company shall stand dissolved without being wound up upon this Scheme becoming effective as mentioned in Clause 27 of this Scheme and all the assets and liabilities as well as reserves shall be transferred to the Transferee Company. Hence there is no accounting treatment prescribed under this Scheme in the books of accounts of the Transferor Company.

26. ACCOUNTING TREATMENT ON AMALGAMATION IN THE BOOKS OF THE TRANSFEREE COMPANY

With effect from the Appointed Date and upon the Scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Company in its books of accounts under the 'Pooling of Interest Method', as described in Appendix C of the Accounting Standards - 103 'Business Combinations' notified under Section 133 of the Act read with relevant rules issued thereunder, such that:

- 26.1. The investments in the equity share capital of the Transferee Company as appearing in the books of accounts of the Transferor Company shall stand cancelled as envisaged under Clause 21 of the Scheme and accordingly the issued and paid up equity share capital of the Transferee Company shall stand reduced to the extent of face value of equity shares held by the Transferor Company in the Transferee Company.
- 26.2. The Transferee Company shall record all the assets and liabilities of the Transferor Company, vested in the Transferee Company pursuant to this Scheme, at their carrying values at the close of business of the day immediately preceding the Appointed Date.
- 26.3. The balance of the retained earnings as appearing in the books of the Transferor Company will be aggregated with the corresponding balance appearing in the books of the Transferee Company.
- 26.4. The identity of the reserves of the Transferor Company shall be preserved and they shall appear in the books of the Transferee Company in the same form and manner in which they appear in the books of the Transferor Company.
- 26.5. The Transferee Company shall credit the aggregate face value of the Amalgamation Equity Shares issued by it to the shareholders of the Transferor Company pursuant to Clause 18.1 of this Scheme to the Share Capital Account in its books of accounts.



- 26.6. The difference between the assets and liabilities including amalgamation adjustment account, as taken over, adjustments as per Clause 21, cancellation of investments as per Clause 21.1 and face value of Amalgamation Equity Shares issued by the Transferee Company shall be recognized as 'Capital Reserves' in the books of the Transferee Company.
- 26.7. To the extent, there are inter-company balances between the Transferor Company and the Transferee Company, the rights and obligations in respect thereof shall stand cancelled;
- 26.8. In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference will be quantified and adjusted as per guidance provided under Accounting Standard - 103 'Business Combination', to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

27. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon the Scheme becoming effective, the Transferor Company shall be automatically dissolved without being wound up and the Board of Directors of the Transferee Company or any committee thereof is hereby authorized to take all steps as may be necessary or desirable or proper on behalf of the Transferor Company from the Effective Date to resolve any question, doubts, or difficulty whether by reason of any order(s) of the court(s) or any directive, order or sanction of any Appropriate Authority or otherwise arising out of or under this Scheme or any matter therewith

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PART IV

GENERAL TERMS AND CONDITIONS

28. APPLICATION TO THE TRIBUNAL

- 28.1. The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make joint applications to the NCLT, under Sections 230 to 232 of the Act and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective shareholders and/ or creditors and for sanctioning this Scheme, with such modifications as may be approved by the NCLT.
- 28.2. The Transferor Company and the Transferee Company shall be entitled, pending the effectiveness of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals, as agreed between the Transferor Company and the Transferee Company, which the Transferor Company and the Transferee Company may require to effect the transactions contemplated under the Scheme, in any case subject to the terms as may be mutually agreed between the Transferor Company and the Transferee Company.
- 28.3. Upon this Scheme becoming effective, the respective shareholders of the Transferor Company and the Transferee Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

29. SCHEME CONDITIONAL ON APPROVAL/SANCTIONS

- 29.1. The coming into effect of this Scheme is conditional upon and subject to:
- The Scheme being approved by requisite majorities of the shareholders and/ or creditors of the Transferor Company and the Transferee Company as may be directed by the NCLT;
 - The requisite consent, approval or permission of the Appropriate Authority or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme;
 - The Stock Exchange(s) issuing their observation/ no-objection letters, wherever required under applicable laws and SEBI issuing its comments on the Scheme, to the Transferee Company, as required under the SEBI Circular and other applicable laws;
 - The sanctioning of this Scheme by the NCLT, whether with any modifications or amendments as NCLT may deem fit or otherwise;
 - Any other sanctions and orders as may be directed by the NCLT while sanctioning the Scheme;
 - Certified copy of the order of the NCLT, sanctioning the Scheme being filed with ROC.
- 29.2. In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person.
- 29.3. If any part of this Scheme is invalid, ruled illegal by NCLT or 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 this Scheme, and this 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 Board of the Transferor Company and the Transferee Company involved in the Scheme 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.



30. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

30.1. Subject to approval of NCLT, the Transferor Company and the Transferee Company by their respective Boards of Directors, may assent to/ make and/ or consent to any modifications/ amendments to the Scheme or to any conditions or limitations that the NCLT and/ or any other Appropriate Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board of Directors). The Transferor Company and the Transferee Company by their respective Board are authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme, whether by reason of any directive or orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected therewith.

31. EFFECT OF NON-RECEIPT OF APPROVALS, MATTERS RELATING TO REVOCATION AND WITHDRAWAL OF THE SCHEME

31.1. In the event of any of the said approvals or conditions referred to in Clause 29.1 above not being obtained and/ or complied with and/ or satisfied and/ or the Scheme not being sanctioned by the Tribunal and/ or order or orders not being passed as aforesaid by such date as may be mutually agreed upon by the respective Board of Directors of the Transferor Company and the Transferee Company (who are hereby empowered and authorized to agree to the aforesaid period without any limitations in exercise of their powers through and by their respective delegate(s)), this Scheme shall stand revoked, cancelled and be of no effect.

31.2. In the event of revocation under Clause 31.1, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* to 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 as is specifically provided in the Scheme or in accordance with the Applicable Laws.

31.3. Notwithstanding anything contained in Clause 31.1 and Clause 31.2, the Board of Directors of the Transferor Company and the Transferee Company shall be entitled to withdraw this Scheme prior to the Effective Date.

32. PERMISSION TO RAISE CAPITAL

32.1. Notwithstanding anything contained in this Scheme and subject to Applicable Laws, until this Scheme becomes effective, the Transferor Company and the Transferee Company shall have right to raise capital whether *via* preferential issue of equity/ convertible/ non-convertible securities to one or more financial or strategic investors or in any other way for the efficient functioning of their business or for any other purpose including for the purposes of refinancing, repayment, conversion or prepayment of any loans.

32.2. Provided further that, any change in capital structure of the Transferor Company shall be made subject to the approval of SEBI/ Stock Exchange(s).

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33. COST CHARGES AND EXPENSES

- 33.1. Each of the Companies shall bear its respective costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred in carrying out and implementing this Scheme and matters incidental thereto, except the stamp duty cost in connection to this Scheme which shall be paid by the Transferee Company.
- 33.2. All costs and expenses with the finalization of this Scheme and for operationalizing the Scheme and any other expenses or charges attributable to the implementation of the Scheme including stamp duty payable, if any, under this Scheme shall be debited to the statement of profit & loss of the Transferee Company.

