

SCHEME OF AMALGAMATION
UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013

BETWEEN

THE SWASTIK SAFE DEPOSIT AND INVESTMENTS LIMITED:
(‘AMALGAMATING COMPANY’)

AND

PIRAMAL CORPORATE SERVICES PRIVATE LIMITED:
(‘AMALGAMATED COMPANY’)

AND

THEIR RESPECTIVE SHAREHOLDERS

AND

THEIR RESPECTIVE CREDITORS

PREAMBLE

This Scheme of Amalgamation is presented under Sections 230 to 232, of the Companies Act, 2013 (the “Act”) and other applicable provisions of the Act for amalgamation of The Swastik Safe Deposit and Investments Limited into Piramal Corporate Services Private Limited.

The Scheme is in the best interest of the Amalgamating Company, Amalgamated Company, their shareholders, their creditors and all other stakeholders.

PARTS OF THE SCHEME:

The Scheme is divided into five parts:

- i. **Part I** sets-forth the Introduction, Definitions and Interpretation;
- ii. **Part II** sets-forth the share capital structure of the Amalgamated Company and Amalgamating Company;
- iii. **Part III** deals with the amalgamation of the Amalgamating Company into and with the Amalgamated Company;
- iv. **Part IV** deals with consideration, accounting and tax treatments of the Amalgamated Company; and
- v. **Part V** deals with general/residuary terms and conditions.

PART I
INTRODUCTION, DEFINITIONS AND INTERPRETATION

1 INTRODUCTION

1.1 THE SWASTIK SAFE DEPOSIT AND INVESTMENTS LIMITED

THE SWASTIK SAFE DEPOSIT AND INVESTMENTS LIMITED (hereinafter referred to as “**SSDIL**” or “**Amalgamating Company**”) having CIN L65190MH1940PLC003151, is a company incorporated under the Companies Act, VII of 1913 on August 06, 1940 and has its Registered Office situated at 4th Floor, Piramal Tower Annexe, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. SSDIL was issued registration certificate no. 13.00535 dated March 24, 1998 by Reserve Bank of India under section 45-IA of the Reserve Bank of India Act, 1934 to commence / carry on the business of non-banking financial institution without accepting public deposits. SSDIL is primarily, engaged in the business of investing/lending.

The shares of SSDIL are listed on the Bombay Stock Exchange (BSE) and Delhi Stock Exchange (‘DSE’).

The details about the capital structure of Amalgamating Company are set out in Part II.

1.2 PIRAMAL CORPORATE SERVICES PRIVATE LIMITED

PIRAMAL CORPORATE SERVICES PRIVATE LIMITED (hereinafter referred to as “**PCSPL**” or “**Amalgamated Company**”) having CIN – U74110MH1989PTC051127, is a company incorporated under the Companies Act, 1956 on March 27, 1989 and has its Registered Office situated at 4th Floor, Piramal Tower Annexe, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. PCSPL was originally incorporated by the name “Legend Pharma Private Limited”. Subsequently, on November 7, 2008, the name was changed to “Nicholas Piramal Pharma Private Limited” and then on November 9, 2018, the name was changed to “Piramal Corporate Services Private Limited”.

PCSPL is primarily, engaged in the business of providing Royalty and Corporate services and also provides comprehensive financing solutions.

The details about the capital structure of Amalgamated Company are set out in Part II.

1.3 Details of the relationship between the Amalgamating Company and the Amalgamated Company

The Amalgamating Company and the Amalgamated Company are related parties as the Amalgamated Company is the holding company of Amalgamating Company and holds 74.39% equity shares of the Amalgamating Company.

2 RATIONALE OF THE SCHEME

- 2.1 SSDIL an NBFC is not actively engaged in any lending or investment activity. The primary asset (~97% of total asset) of SSDIL is investment in a single entity. The remaining assets of SSDIL comprise of investment in various liquid investments, like investment in mutual funds, listed equity shares etc.
- 2.2 There is no material trading activity since 2009 in the shares of SSDIL though the shares are listed on BSE and DSE. Since, there is no trading activity, as per the SEBI Regulations, the equity shares of SSDIL would be classified as Non Traded. Therefore, notwithstanding the listing of equity shares of the Amalgamating Company, the shareholders of the Amalgamating Company have not really enjoyed the benefit of listing in particular, they have not enjoyed any liquidity in respect of their shareholding nor have they enjoyed any significant appreciation in value of their shares. In fact, the current market price is lower than the Face value of the shares. On the other hand, under the Scheme, the shareholders including, in particular, the non-promoter shareholders will be issued redeemable preference shares of the Amalgamated Company which will effectively ensure that the shareholders are able to enjoy appreciation in value of investment held by the Amalgamating Company (upto the Appointed Date of Amalgamation) and will be assured of obtaining liquidity on redemption of preference shares in an assured timeframe or even earlier if they able to sell the preference shares. Thus, with this merger, the Amalgamating Company is unlocking the value of the shares for its minority Shareholders. Accordingly, if the Amalgamating Company is merged with the Amalgamated Company, there will not be any adverse effect on the minority Shareholders of the Amalgamating Company.
- 2.3 In addition to the above, the two companies involved in the amalgamation form part of Piramal group of companies. On amalgamation, the NBFC registration obtained by the Amalgamating Company would be deemed to have been surrendered. This will assist in achieving RBI's general practice of not granting multiple NBFC registrations u/s. 45-IA of the Reserve Bank of India Act, 1934 to companies of the same group (Piramal Group has another NBFC namely, Piramal Enterprises Ltd.
- 2.4 Apart from the above, the amalgamation of SSDIL with PCSPL would *inter alia* have the following benefits:
- 2.4.1 The merger will result in achieving greater integration and greater financial strength and flexibility so as to maximize overall shareholders' value.

- 2.4.2 The merger will result in achieving cost savings from more focused operational efforts, rationalization, standardization and simplification of business processes, as also due to integration of various similar functions being carried out by the entities such as human resources, finance, legal, management etc.
 - 2.4.3 The merger will result in greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined businesses which can be deployed more efficiently to fund growth opportunities, to maximize shareholders value.
 - 2.4.4 The merger will help in consolidating and improving the internal control systems and procedures which will bring greater management and operational efficiency
 - 2.4.5 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 Amalgamating Company and the Amalgamated Company.
 - 2.4.6 The merger will also enable unified accounting and auditing resulting in reduction of costs and time and efforts involved.
 - 2.4.7 The merger will result in simplification of group structure.
- 2.5 The proposed corporate restructuring mechanism by way of a scheme of merger by absorption under the provisions of the Companies Act, 2013 is beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of both the companies involved.

3 DEFINITIONS

In this Scheme, the following words and expressions shall, unless the context requires otherwise, have the following meanings ascribed to them:

- 3.1 **“Act” or “the Act”** means the Companies Act, 2013 and the rules made thereunder, and includes any alterations, modifications and amendments made thereto and/or any re-enactment thereof;
- 3.2 **“Amalgamated Company” or “PCSPL”** shall mean Piramal Corporate Services Private Limited, as defined in Clause 1.2 of Part I;
- 3.3 **“Amalgamating Company” or “SSDIL”** means The Swastik Safe Deposit and Investments Limited, as defined in Clause 1.1 of Part I above;

- 3.4 **“Applicable Law(s)”** means any statute, law, regulation, ordinance, rule, judgment, order, decree, by-law, approval from the concerned authority, Governmental Authority resolution, order, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any concerned authority having jurisdiction over the matter in question;
- 3.5 **“Appointed Date”** means April 1, 2022 or such other date as may be approved by NCLT;
- 3.6 **“BSE”** means the Bombay Stock Exchange;
- 3.7 **“Board of Directors”/ “Board”** in relation to the Amalgamating Company and/or the Amalgamated Company, as the case may be, shall, unless it be repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee as may be constituted by the board of directors;
- 3.8 **“Clause” and “sub-Clause”** means the relevant clauses and sub-clauses set out in this Scheme;
- 3.9 **“Companies”** means Amalgamating Company and Amalgamated Company collectively;
- 3.10 **“Effective Date”** means the date on which the Scheme shall become effective pursuant to Clause 15 of Part V of this Scheme. Any references in this Scheme to “upon this Scheme becoming effective” or “effectiveness of this Scheme” or “after this Scheme becomes effective” means and refers to the Effective Date;
- 3.11 **“Governmental Authority”** means any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof;
- 3.12 **“Listing Regulations”** shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes any amendments, modifications or any enactment thereof;
- 3.13 **“NCLT”** means the National Company Law Tribunal, Mumbai Bench, to which this Scheme in its present form is submitted for its sanctioning under sections 230 to 232 of the Act;
- 3.14 **“New Preference Shares” and “New Preference Share”** shall have the meaning

assigned to the term in Clause 8.1 of Part IV of the Scheme herein, and shall have the terms and conditions as provided in **Annexure A** herein.

3.15 **“Record Date”** means the date fixed by the Board of the Amalgamated Company or any committee thereof, for the purpose of determining names of the equity shareholders, who shall be entitled to receive the shares of the Amalgamated Company pursuant to this Scheme, upon coming into effect of this Scheme;

3.16 **“RoC”** means the Registrar of Companies, Mumbai;

3.17 **“Rules”** means the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

3.18 **“SEBI”** means the Securities and Exchange Board of India;

3.19 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Amalgamation in its present form (along with any annexures, schedules, etc., annexed/attached hereto), with such modifications and amendments as may be made from time to time, and with appropriate approvals and sanctions of the NCLT and other relevant regulatory authorities, as may be required under the Act, as applicable, and under all other applicable laws.

The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, including the Rules and regulations made there under and other applicable laws, rules, regulations, by-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

4 INTERPRETATION

In this Scheme, unless the context otherwise requires:

4.1 words denoting singular shall include plural and vice versa and references to any gender includes the other gender;

4.2 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;

4.3 References to the word “include” or “including” shall be construed without limitation;

4.4 References to Clauses are to the Clauses to this Scheme;

- 4.5 References to the words “hereof”, “herein” and “hereunder” and words of similar import shall refer to this Scheme as a whole and not to any particular provision of this Scheme;
- 4.6 Reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation;
- 4.7 Reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- 4.8 Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them;
- 4.9 References to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality); and
- 4.10 Where a wider construction is possible, the words “other” and “otherwise” shall not be construed ejusdem generis with any forgoing words.

5 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT shall be deemed to be effective from the Appointed Date and shall be operative from the Effective Date.

PART II
SHARE CAPITAL STRUCTURE

6 CAPITAL STRUCTURE

6.1 The share capital of Amalgamating Company as on March 31, 2022 was as under:

Particulars	Amount (INR)
<u>Authorised Capital:</u>	
2,50,000 Equity Shares of Rs. 10/- each	25,00,000
Total	25,00,000
Issued, Subscribed and Paid-up Capital:	
2,40,000 Equity Shares of Rs. 10/- each fully paid up	24,00,000
Total	24,00,000

Subsequent to the above date and till the date of filing of this Scheme as approved by the Board of Directors of Amalgamating Company, there is no change in authorized, issued, subscribed and paid-up equity capital of Amalgamating Company.

6.2 The share capital of Amalgamated Company as on March 31, 2022 was as under:

Particulars	Amount (INR)
<u>Authorised Capital:</u>	
1,75,81,60,000 Equity Shares of Rs.10/- each	17,58,16,00,000
34,40,000 Preference Shares of Rs. 10/- each	3,44,00,000
Total	17,61,60,00,000
Issued, Subscribed and Paid-up Capital:	
Equity	
1,75,37,90,892 Equity Shares of Rs.10/- each	17,53,79,08,920
Preference Shares	

95,715- 15% Non-Cumulative Redeemable Preference Shares of Rs. 10/-each	9,57,150
Total	17,53,88,66,070

Subsequent to the above date and till the date of filing of this Scheme as approved by the Board of Directors of Amalgamated Company, there is no change in authorized, issued, subscribed and paid-up equity capital of Amalgamated Company.

PART-III
AMALGAMATION OF THE AMALGAMATING COMPANY INTO AND
WITH THE AMALGAMATED COMPANY

7 TRANSFER AND VESTING

- 7.1 With effect from the Appointed Date and upon the Scheme becoming effective, all the undertakings, businesses, assets and properties of the Amalgamating Company, shall, pursuant to the provisions of section 230 to 232 of the Act and all other applicable provisions, if any, of the Act, and without any further act, instrument, deed, matter or thing, stand transferred to and vested into or be deemed to be transferred to and vested, as a going concern, into the Amalgamated Company, so as to vest in the Amalgamated Company all the rights, title, estate and interest pertaining to or belonging to or in possession of or granted in favour of the Amalgamating Company.
- 7.2 Subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, on occurrence of the Effective Date, the whole of the business, personnel, property, assets, liabilities, investments, rights, benefits and interest therein of the Amalgamating Company shall, with effect from the Appointed Date, stand transferred to and be vested in the Amalgamated Company, without any further act or deed, and by virtue of the order passed by the NCLT. Without prejudice to the generality of the above, and in particular, the Amalgamating Company shall stand transferred to and be vested in the Amalgamated Company in the manner described in sub-clauses (7.2.1) to (7.2.10) below:
- 7.2.1 all assets of the Amalgamating Company, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, shall stand vested in the Amalgamated Company and shall become the property and an integral part of the Amalgamated Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
- 7.2.2 all movable properties of the Amalgamating Company, other than those specified in sub-clause (7.2.1) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, shall without any further act, instrument or deed, become the property of the Amalgamated Company;
- 7.2.3 all immovable properties (including rights relating to immovable properties) of the Amalgamating Company, if any, whether freehold or leasehold, and all documents of title, rights and easements in relation thereto, shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stood transferred to and vested in the Amalgamated Company, without any further act or deed done by the Amalgamating Company and/or

the Amalgamated Company;

- 7.2.4 all investments including the investments made by Amalgamating Company in the capital of other companies whether as shares, scrips, stocks, bonds, debentures, debenture stocks, inter-corporate deposits, units, mutual funds or pass through certificates and including depository receipts and certificates and other accrued benefits thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Amalgamated Company, without any further act or deed done by the Amalgamating Company and/or the Amalgamated Company;
- 7.2.5 all the intellectual property rights of any nature whatsoever, including but not limited to intangible assets, including trademarks, logos, service marks, copyrights, domain names, trade names and applications relating thereto, goodwill, knowhow and trade secrets, pertaining to the Amalgamating Company, whether or not registered and whether or not recorded in books of accounts of the Amalgamating Company, without any cost, further act, instrument or deed, shall be and shall stand transferred to and vested in the Amalgamated Company as a part of the transfer as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Amalgamated Company.
- 7.2.6 all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of the Amalgamating Company, shall, be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Amalgamated Company and the Amalgamated Company undertakes to meet, discharge and satisfy the same. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause;
- 7.2.7 all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, registrations, licenses including those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Amalgamating Company or to the benefit of which, the Amalgamating Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto;
- 7.2.8 any pending suit/appeal or other proceedings of whatsoever nature relating to the Amalgamating Company, whether by or against the Amalgamating Company, shall not abate or be discontinued or in any way prejudicially affected by reason of the amalgamation of the Amalgamating Company or

of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Amalgamated Company in the same manner and to the same extent as they would or might have been continued, prosecuted and/or enforced by or against the Amalgamating Company. The Amalgamated Company shall file necessary application for transfer of all pending suit/appeal or other proceedings of whatsoever nature relating to Amalgamating Company;

- 7.2.9 all employees of the Amalgamating Company, who are on its pay roll shall be engaged by the Amalgamated Company, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Amalgamating Company, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Amalgamating Company (if any), upon this Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company for all purposes whatsoever, in accordance with the provisions of applicable laws and in terms of this Scheme. It is hereby 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 Amalgamating Company for such purpose, shall be treated as having been continuous;
- 7.2.10 all statutory licenses, permissions or approvals or consents held by the Amalgamating Company required to carry on its operations shall stand transferred to and be vested in the Amalgamated Company without any further act or deed, and shall, as may be required, be appropriately mutated by the statutory authorities concerned therewith in favor of the Amalgamated Company. The benefit of all statutory and regulatory permissions, approvals and consents of the Amalgamating Company shall vest in and become available to the Amalgamated Company pursuant to the Scheme. The only exception to this clause being the registration obtained by the Amalgamating Company under Section 45-IA of the Reserve Bank of India, 1934. The same will be surrendered or deemed to have been surrendered on amalgamation.

7.3 Procedural Formalities Post Sanction of the Scheme

- 7.3.1 The Amalgamated Company shall, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or novation or other writings or arrangements with any party to any contract or arrangement in relation to which the Amalgamating Company have been a party, in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Amalgamating Company and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company.

- 7.3.2 Upon the Scheme becoming effective, for statistical purposes only and without any separate deed, instrument or writing, the Amalgamating Company and/or the Amalgamated Company shall, if required, simultaneously with the amendment in the register of charge file particulars of the modified charge with the concerned RoC. Any documentation subsequently entered into with the term lenders or the working capital lenders of the Amalgamating Company and the Amalgamated Company, shall be for the sake of convenience and record only and to reflect the changes in the security pursuant to the Scheme and there shall be no break in the continuity of such charge and the same shall relate back to the date of its creation thereof in the Amalgamating Company.
- 7.3.3 Upon the Scheme becoming effective, all statutory permissions, licenses, approvals, consents, privileges, benefits and benefits of filings and all other incorporeal rights emanating from such licenses (together the “Licenses”, for the purpose of this Clause 7.3.3) relating to the Amalgamating Company, shall stand transferred to and vested in the Amalgamated Company without any further act, instrument or deed, as more particularly provided hereinabove. Notwithstanding such transfer/ vesting of the Licenses, if any application is required for the statistical record of the statutory authorities to implement the transfer and vesting of the Licenses, as provided hereinabove, the Amalgamated Company shall facilitate the statutory authorities by filing such applications, which shall be granted/ approved in favour of the Amalgamated Company based on the sanction order of the Scheme by the NCLT.
- 7.3.4 From the Effective Date, all bank accounts of the Amalgamating Company shall be permitted to be continued with the same balances as of the Effective Date in the name of the Amalgamated Company and for record the Amalgamated Company shall be permitted to file names and particulars of the new authorized signatories for withdrawals and/ or deposits/ credits in such bank accounts and the relevant bank accounts shall be reconstituted accordingly.

7.4 Conduct of Business

- 7.4.1 With effect from the Appointed Date and until occurrence of the Effective Date:
- 7.4.1.1 the Amalgamating Company undertake to carry on and shall be deemed to have carried on all their business activities and stand possessed of their properties and assets, for and on account of and in trust for the Amalgamated Company; and
- 7.4.1.2 all profits accruing to the Amalgamating Company and all taxes thereon or losses accumulated or otherwise arising or incurred by it shall, for all purposes, be treated as and deemed to be the profits, taxes or losses, as the case may be, of the Amalgamated Company; and

- 7.4.2 Notwithstanding anything contained in this Scheme, subject to the Applicable Laws, the Board of Directors of the Amalgamated Company shall be entitled to consider, pursue, manage, undertake and conduct business of Amalgamated Company *inter-alia* including, any corporate actions, issue of securities and bonus shares, buy back of securities, reorganization, restructuring of its businesses, strategic acquisition or sale of any business, joint ventures, business combinations etc., as it may deem prudent and necessary in the interest of the Amalgamated Company.
- 7.4.3 With effect from the Appointed Date, all debts, liabilities, duties and obligations of the Amalgamating Company as on the Appointed Date, whether or not provided in their books, and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the Amalgamated Company.
- 7.4.4 With effect from the Appointed Date, the Amalgamated Company shall be deemed to have commenced and shall carry on and shall be authorized to carry on the business of the Amalgamating Company.
- 7.4.5 For the purpose of giving effect to the amalgamation order passed under sections 230 to 232 and other applicable provisions of the Act in respect of the Scheme by NCLT, the Amalgamated Company shall, at any time pursuant to the order on the Scheme, be entitled to get the recordal of the change in the legal right(s).

PART-IV
CONSIDERATION, ACCOUNTING TREATMENT AND TAX TREATMENT
OF AMALGAMATED COMPANY

8 CONSIDERATION / CANCELLATION OF SHARES OF THE AMALGAMATING COMPANY

8.1. Upon this Scheme becoming effective, in consideration of the transfer of and vesting of the Amalgamating Company in terms of this Scheme, the Amalgamated Company shall, without any further application or deed, issue and allot, unlisted, 10%, redeemable, cumulative, non-participating and non-convertible preference shares of face value Rs. 10/- per share at a premium of Rs. 90 per share credited as fully paid up, to the extent indicated below, to the equity shareholders of the Amalgamating Company, other than the Amalgamated Company, holding fully paid-up equity shares of the Amalgamating Company and whose names appear in the register of members of the Amalgamating Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of the Amalgamated Company in the following proportion:

For equity shareholders of the Amalgamating Company other than the Amalgamated Company:

“1,64,11,155 unlisted, 10%, redeemable, cumulative, non-participating and non-convertible preference shares of Amalgamated Company of Rs. 10/- per share at a premium of Rs. 90/- per share fully paid up for one equity share of the Amalgamating Company of Rs. 10/- each fully paid up”

The preference shares to be issued as above are hereinafter collectively referred to as “New Preference Shares”, and individually as “New Preference Share”.

- 8.2. For the purpose of allotment of New Preference Shares to the shareholders of the Amalgamating Company, other than the Amalgamated Company, in case any shareholder's holding in the Amalgamating Company is such that the shareholder becomes entitled to a fraction of a New Preference Share of the Amalgamated Company, the Amalgamated Company shall not issue fractional shares to such shareholder. Such fractional entitlements, if any, shall be aggregated and held by the trust, nominated by the Board of the Amalgamated Company in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares and distribute the proceeds to the respective shareholders to whom the fractional share would have belonged.
- 8.3. The New Preference Shares to be issued and allotted as provided in Clause 8.1 above shall be subject to the provisions of the memorandum of association and articles of association of the Amalgamated Company and shall rank above

in all respects with the then existing preference shares, if any and future preference shares of the Amalgamated Company issued after the Record Date including with respect to dividend, redemption, liquidation, bonus entitlement, rights' shares' entitlement, voting rights and other corporate benefits.

- 8.4. The Amalgamated Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of the New Preference Shares to the Shareholders of the Amalgamating Company other than the Amalgamated Company.
- 8.5. In the event of there being any pending share transfer, whether lodged or outstanding, the Board or any committee of Amalgamated Company shall be empowered even subsequent to the Record Date, to effectuate such transfer as if such changes in the registered holder were operative from the Record Date.
- 8.6. The New Preference Shares issued pursuant to Clause 8.1 above, which the Amalgamated Company is unable to allot due to Applicable Laws (including, without limitation, the non-receipt of approvals of Governmental Authority as required under Applicable Law) or any regulations or otherwise shall, pending allotment, be held in abeyance by Amalgamated Company and shall be dealt with in the manner as may be permissible under the Applicable Law and deemed fit by the Board of the Amalgamated Company including to enable allotment and sale of such New Preference Shares to a trustee nominated by the Amalgamated Company in that behalf who shall sell or redeem such shares at such price or prices and on such time or times as the trustee may in its sole discretion decide and on such sale, and thereafter make distributions of the net sales proceeds in lieu thereof (after the deduction of taxes and expenses incurred) to the eligible shareholders of the Amalgamating Company, in proportion to their entitlements. If the above cannot be effected for any reason, the Amalgamated Company shall ensure that this does not delay implementation of the Scheme and shall, take all such appropriate actions as may be necessary under Applicable Laws. The Amalgamated Company shall execute such further documents and take such further actions as may be necessary or appropriate in this regard to enable actions contemplated therein.
- 8.7. In the event that the Parties restructure their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the share exchange ratio provided in Clause 8.1 above shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 8.8. The issue and allotment of the New Preference Shares to the holders of equity shares as provided in this Scheme shall be deemed to be due compliance of the provisions of Section 55, 62 and Section 42 of the Act and other relevant and applicable provisions of the Act and rules made there under for the issue and allotment of the New Preference Shares issued by the Amalgamated Company to the equity shareholders of the Amalgamating Company other than the Amalgamated Company, as provided in this Scheme.

- 8.9. Upon this Scheme becoming effective, all equity shares of the Amalgamating Company held by the Amalgamated Company (directly and/ or through nominees) shall stand cancelled and shall be deemed to be cancelled without any further act, deed or application. It is clarified that only New Preference Shares shall be issued by the Amalgamated Company to other existing shareholders against the value of the equity shares held by them in the Amalgamating Company.
- 8.10. The Amalgamated Company would be entitled to increase the Authorised Share Capital before the Record Date, to commensurate the requirement of Authorised Share Capital for the issue of shares pursuant to this Clause.

9 ACCOUNTING TREATMENT ON AMALGAMATION OF AMALGAMATING COMPANY WITH AMALGAMATED COMPANY

- 9.1 On the Scheme becoming effective and with effect from the Appointed Date, the Amalgamated Company shall account for the amalgamation in its books of accounts as per applicable Accounting Standards including, in particular, Indian Accounting Standard (Ind AS) 103 Business Combinations prescribed under Section 133 of the Act and accordingly:
- 9.1.1 The assets and liabilities of the Amalgamating Company would be recorded by the Amalgamated Company at their existing carrying amounts.
- 9.1.2 The identity of the reserves would be preserved and would be recorded at the existing carrying amount.
- 9.1.3 Investments in the equity share capital of Amalgamating Company as appearing in the books of Amalgamated Company shall stand cancelled.
- 9.1.4 The New Preference Shares issued by the Amalgamated Company will be recorded at nominal value in the books of Amalgamated Company;
- 9.1.5 Inter –company loans, advances, deposits, balances or other obligations as between the Amalgamating Company and the Amalgamated Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of accounts and records of the Amalgamated Company for the reduction of any assets or liabilities as the case maybe and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.
- 9.1.6 The difference, if any, shall be recorded as Capital Reserve.

- 9.1.7 In case of any differences in the accounting policies between the Amalgamating Company and the Amalgamated Company, the impact of the same till the Appointed Date will be quantified and adjusted in the capital reserve to ensure that the financial statements of the Amalgamated Company reflects the financial position on the basis of consistent accounting policies.
- 9.1.8 Further, the comparative financial information in the financial statement of the Amalgamated Company shall be restated for the merger accounting impact as if the merger had taken place from the beginning of the comparative period.

10. TAX

- 10.1 Any tax liabilities under the Income Tax Act, 1961 or other applicable laws/regulations dealing with taxes/ duties/ levies allocable or related to the business of Amalgamating Company whether or not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Amalgamated Company.
- 10.2 Any surplus in the provision for taxation/ duties/ levies account and any entitlement to credit, refund or set off including but not limited to the advance tax, tax deducted at source and MAT credit (credit of tax paid under section 115JB of the Income Tax Act, 1962), GST credit, as on the date immediately preceding the Appointed Date will also be transferred to Amalgamated Company. Any refund under the Income Tax Act, 1961 or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business of Amalgamating Company or due to Amalgamating Company, consequent to the assessment made in respect of Amalgamating Company, shall also belong to and be received by Amalgamated Company.
- 10.3 The tax payments (including without limitation income tax, GST or any other taxes as may be applicable from time to time) whether by way of tax deducted at source, advance tax or otherwise howsoever, by Amalgamating Company whether before or after the Appointed Date, shall be deemed to be paid by Amalgamated Company and shall, in all proceedings, be dealt with accordingly. Notwithstanding the above, any tax deducted at source by either the Amalgamating Company or the Amalgamated Company on account of intercompany transactions, if any, between Amalgamated Company and Amalgamating Company post the Appointed Date, shall be deemed to be advance tax paid by the Amalgamated Company and shall, in all proceedings, be dealt with accordingly.
- 10.4 Any withholding tax certificate or any other tax related certificate issued in the name of the Amalgamating Company shall be deemed to be issued in the name of the Amalgamated Company.
- 10.5 Upon the Scheme becoming Effective, with effect from the Appointed Date, Amalgamating Company and Amalgamated Company are expressly permitted to prepare and/or revise, as the case may be, their financial statements and returns along

with the prescribed forms, filings and annexure under the Income Tax Act, 1961, GST laws and other tax laws, if required, to give effects to provisions of the Scheme.

10.6 All tax assessments proceedings/appeals of whatsoever nature by or against the Amalgamating Company pending at and/or arising after the Appointed Date and relating to Amalgamating Company shall be continued and/or enforced until the Effective Date as desired by Amalgamated Company. As and from the Effective Date, the tax proceedings/ appeals shall be continued and enforced by or against Amalgamated Company in the same manner and to the same extent as would or might have been continued and enforced by or against Amalgamating Company. Further, subject to the provisions of the relevant statutes the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of Amalgamating Company with Amalgamated Company or anything contained in the Scheme.

10.7 Upon the Scheme coming into effect, any obligation for deduction of tax at source on any payment made by or to be made by Amalgamating Company shall be made or deemed to have been made and duly complied with by the Amalgamated Company.

11 SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets, properties and liabilities under Clause 7 above and also the continuance of proceedings by or against the Amalgamating Company under the same Clause shall not affect any transaction or proceedings already concluded by the Amalgamating Company on and after the Appointed Date till the Effective Date, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by the Amalgamating Company.

12 DISSOLUTION OF THE AMALGAMATING COMPANY

12.1 On the Scheme becoming effective, the Amalgamating Company shall stand dissolved automatically without winding up in accordance with the provisions of Section 230 and 232 of the Act.

12.2 On and from the Effective Date, name of the Amalgamating Company shall be removed from the records of the RoC and records relating to the Amalgamating Company shall be transferred and merged with the records of the Amalgamated Company.

PART-V
GENERAL / RESIDUARY TERMS AND CONDITIONS

13 APPLICATION TO NCLT

The Amalgamated Company and the Amalgamating Company shall make an application to the NCLT and or applicable authority, under sections 230 to 232 of the Act, seeking order for dispensing with or for convening, holding and/or conducting of the meetings of the classes of their respective members and creditors (secured and unsecured) as per the requirements of the Act.

14 VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon this Scheme becoming effective, the resolutions of the Amalgamating Company, as are considered necessary by the Board of the Amalgamated Company, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Amalgamated Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Amalgamated Company shall be added to the limits, if any, under like resolutions passed by the Amalgamated Company and shall constitute the aggregate of the said limits in the Amalgamated Company.

15 CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 15.1 The approval by the requisite majorities of the classes of persons, including shareholders, creditors of the Amalgamating Company and Amalgamated Company as may be directed by the NCLT under Section 230- 232 of the Act;
- 15.2 Approvals and sanctions from the Stock Exchange(s) on which shares of Amalgamating Company is listed in accordance with the Listing Regulations and SEBI's Master Circular Dated November 23, 2021, as amended from time to time;
- 15.3 Approval from the Reserve Bank of India in accordance with the Non-Banking Financial Companies (Approval of Acquisition or Transfer of Control) Directions, 2015 issued by the Reserve Bank of India if any;
- 15.4 The sanctioning of this Scheme by the NCLT, whether with any modifications or amendments as NCLT may deem fit or otherwise;
- 15.5 The filing of the certified copies of the orders of the NCLT with the Registrar of Companies, Mumbai by the Amalgamating Company and Amalgamated Company;

15.6 Any other sanctions and orders as may be directed by the NCLT in respect of the Scheme.

15.7 The Scheme is conditional upon it being approved by the public shareholders of the Amalgamating Company through e-voting in terms of para 10 (b) of part I o of SEBI Master Circular No. CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 and the Scheme shall be acted only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.

Upon this Scheme becoming effective, in accordance with sub-section 6 of Section 232 of the Act, the Scheme shall be deemed to be effective from the Appointed Date.

16 DESIGNATED STOCK EXCHANGE

The Designated Stock Exchange for interaction with SEBI shall be the BSE.

17 LISTING AGREEMENT AND SEBI COMPLIANCES

17.1 Since the Amalgamating Company is a listed company, this Scheme is subject to the compliances by the Amalgamating Company of all the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other regulations and directives as are issued by SEBI with respect to the sanction or implementation of the Scheme.

17.2 Regulation 37(1) of the Listing Regulations provide that a listed entity desirous of undertaking a scheme of arrangement under Section 230-234 and Section 66 of the Act shall file the draft scheme of arrangement with the stock exchange(s) on which the listed entity is listed in order to obtain the No Objection Certificate. Only after the No Objection Certificate is obtained, the scheme of arrangement can be filed with NCLT. Further, SEBI has issued Master Circular Dated November 23, 2021 in relation to Scheme of arrangements filed by listed companies.

17.3 The above directives issued by the SEBI will be duly followed by the Amalgamating Company.

18 MODIFICATION OR AMENDMENTS TO THE SCHEME

18.1 The Amalgamating Company and the Amalgamated Company may assent to any modifications or amendments to this Scheme, which the NCLT and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise

for implementing and/or carrying out this Scheme. The Amalgamating Company and the Amalgamated Company (acting through its respective Boards of Directors) be and is hereby authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions, whether by reason of any order of the NCLT or of any directive or order of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

18.2 In the event of any of the conditions that may be imposed by the NCLT or other authorities which the Amalgamating Company and/or Amalgamated Company may find unacceptable for any reason, then the Amalgamating Company and/or Amalgamated Company are at liberty to withdraw the Scheme.

18.3 The Board of Directors of Amalgamating Company and Amalgamated Company shall be entitled, in a mutually agreeable manner, to revoke, cancel and declare the Scheme of no effect if they are of view that the coming into effect of the Scheme could have adverse implications on Amalgamating Company and/or Amalgamated Company.

18.4 If any issue arises as whether any asset, liability, employee pertains to the Amalgamating Company and/or Amalgamated Company, or not under this Scheme, the same shall be decided by the Board of Directors of the Amalgamating Company and/or Amalgamated Company, as relevant, on the basis of relevant books of account and other evidence that they may deem relevant for said purposes. Their decision will be final and conclusive.

18.5 The provisions of this Scheme as they relate to the amalgamation of Amalgamating Company into and with Amalgamated Company have been drawn up to comply with the conditions relating to “amalgamation” as defined under section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section of the Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income-tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) of the Income-tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.

19 EFFECT OF NON-RECEIPT OF APPROVALS

19.1 In the event that the Scheme is not sanctioned by the NCLT or in the event any of the consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme are not obtained or complied with or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void.

19.2 The non – receipt of any sanctions or approvals for a particular asset or liability forming part of the Amalgamating Company getting transferred pursuant to this

Scheme, shall not affect the effectiveness of the respective section of the Scheme, if the Boards of Directors of the Amalgamating Company and/or Amalgamated Company so decide. In the event of non – receipt of approval of any lender / creditor for the transfer of any liability of the Amalgamating Company, then at the option of the Boards of Directors of the Amalgamating Company, it may discharge such liability by issuing a security / recognizing a liability in favour of Amalgamated Company on the same terms.

20 COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and other expenses, if any (save as expressly otherwise agreed) arising out of, in connection to or in relation to or incurred in carrying out and implementing this Scheme and to put it into operation shall be borne by the Amalgamated Company.

21 MISCELLANEOUS

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

ANNEXURE A

TERMS AND CONDITIONS OF NEW PREFERENCE SHARES

Sr. No	Particulars	Terms and Conditions
1.	Title of New Preference Shares	The New Preference Shares to be called as “ Cumulative and Redeemable Non-Participating and Non-Convertible Preference Shares ”
2.	Face Value	Each New Preference Share will have the face value of Rs.10/-(Rupees Ten only) per share
3.	Premium on Issue price	Each New Preference Share will be issued at a premium of Rs. 90/- (Rupees Ninety only) per share.
4.	Nature of the New Preference Shares	Unlisted, Redeemable, Cumulative, Non-Participating and Non-Convertible Preference Shares
5.	Dividend and Repayment Clause	Carry a preferential right via-a-vis equity shares of the Amalgamated Company with respect to payment of dividend and repayment in case of winding up or repayment of capital by giving priority to existing preference shares or preference shares that may be issued;
6.	Participation in Surplus Fund	New Preference Shares shall be non-participating in the surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the Company
7.	Rate of Dividend	10% per annum on the face value - Cumulative
8.	Redemption of New Preference Shares	<p>The redemption of New Preference Shares shall be in the following manner:</p> <p>(i) The tenure of New Preference Shares is 15 years from the date of allotment or as varied after due approval of preference shareholder(s) as required under the Applicable Law;</p> <p>(ii) Subject to the provisions of the Applicable Law, at the end of 5th and 10th year from the issuance and allotment of the New Preference Shares herein, each holder of the New Preference Shares shall be entitled to apply for redemption of their New Preference Shares, on pro-rata basis, provided the total number of the New Preference Shares which are redeemed at the end of 5th year and 10th year</p>

Sr. No	Particulars	Terms and Conditions
		<p>should on each occasion not exceed 33.333% of the total number of New Preference Shares issued under this Scheme.</p> <p>(iii) At the expiry of 15 years from the date of allotment of New Preference Shares, the remaining New Preference Shares shall be redeemed by the Amalgamated Company, subject to the provisions of the Applicable Law;</p> <p>(iv) Redemption premium, in all the cases of redemption, shall be computed in a manner which gives the Preference shareholders a 10.95% p.a. compounded rate of return (after considering the dividend payments).</p>
9.	Conversion Clause	Non-Convertible
10.	Voting rights	New Preference Shares shall carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013
11.	Transferability	Subject to the terms of New Preference Shares and Applicable Law, holders of New Preference Shares shall be entitled to assign or transfer their rights and obligations in the New Preference Shares allotted to them.
12.	Exit Option to holders of New Preference Shares	The Amalgamated Company will make reasonable efforts to appoint a third party who is willing to purchase either by itself or make arrangement for prospective investors who will purchase the New Preference Shares issued and allotted to the Shareholders of the Amalgamated Company pursuant to this Scheme. The said third party, if appointed by the Amalgamated Company, may choose to buy whole or part of the New Preference Shares allotted under this Scheme. In case of part purchase, every holder of New Preference Shares shall be given an option to sell proportionate New Preference Shares held by them. The said third party shall have the same rights and obligations as the holders of New Preference Shares had before such sale. The holders of New Preference Shares who are keen to sell their respective New Preference Shares may be required to give relevant representations and warranties in this regard, including title, encumbrance on such preference shares. It is hereby clarified that the

Sr. No	Particulars	Terms and Conditions
		aforementioned is not an obligation on the Amalgamated Company.