

[DRAFT]
SCHEME OF ARRANGEMENT
AMONG
FUTURISTIC SOLUTIONS LIMITED
AND
FUTURISTIC REMEDIES LIMITED
AND
THEIR SHAREHOLDERS

FOR AMALGAMATION OF
FUTURISTIC REMEDIES LIMITED
WITH
FUTURISTIC SOLUTIONS LIMITED

PARTS OF THE SCHEME:

1. **Part I** – This part of Scheme contains general provisions applicable as used in this Scheme including Definitions and Capital Structure of Companies involved in Amalgamation;
2. **Part II** - This part of Scheme contains Amalgamation i.e. Transfer and Vesting of undertakings of M/s Futuristic Remedies Limited into M/s Futuristic Solutions Limited;
3. **Part III** - This part of Scheme contains manner of issue of consideration against the present Scheme of Amalgamation including Swap Ratio and the Accounting Methodology adopted for the Amalgamation;
4. **Part IV** - This part of Scheme contains miscellaneous provisions i.e. application/petition to Hon'ble High Court and conditionality of Scheme.

SCHEME OF ARRANGEMENT
UNDER SECTIONS 391 & 394 OF THE COMPANIES ACT, 1956
BETWEEN
FUTURISTIC REMEDIES LIMITED
AND
FUTURISTIC SOLUTIONS LIMITED

[For Amalgamation of **FUTURISTIC REMEDIES LIMITED** with **FUTURISTIC SOLUTIONS LIMITED** under Section 391 read with Section 394 of the Companies Act, 1956]

PREAMBLE

A. BACKGROUND AND DESCRIPTION OF COMPANIES

1. **FUTURISTIC SOLUTIONS LIMITED** (herein after referred to as '**Transferee Company**' or '**FSL**'), bearing CIN L74899DL1983PLC016586 was originally incorporated under the name of "Moral Leasing Private Limited" on 21st September, 1983 under the provisions of Companies Act, 1956. Subsequently the name of the company was changed to "Futuristic Solutions Limited" and a fresh certificate of incorporation was issued on 3rd January, 2002. The registered office of the Company is situated at M-50, 2nd Floor, Greater Kailash-I, New Delhi – 110048. The Equity Shares of the Company are listed at BSE Limited (BSE) and Delhi Stock Exchange Limited(DSE). The Transferee Company is engaged in Asset Reconstruction business i.e. recovery of disputed debts, purchase, sale, discounting and dealing in actionable claims, etc.
2. **FUTURISTIC REMEDIES LIMITED** (herein after referred to '**Transferor Company**' or '**FRL**'), bearing CIN U32109DL1986PLC024497 was originally incorporated under the name of "Oriental Architectonics Limited" on 13th June, 1986 under the provisions of Companies Act, 1956. Subsequently the name of the company was changed to "Futuristic Remedies Limited" and a fresh certificate of incorporation was issued on 31st October, 2003. The registered office of the Company is situated at M-50, 2nd Floor, Greater Kailash-I, New Delhi – 110048. The Transferor Company is also engaged in the business of Asset Reconstruction.

B. THE SCHEME AND ITS RATIONALE

Futuristic Solutions Limited, the Transferee Company and Futuristic Remedies Limited, the Transferor Company, are engaged in similar line of business and share common

management. The amalgamation of “FRL” with “FSL” shall strengthen the balance sheet of the Transferee Company and shall create a larger and financially stronger entity, which will have better resources for business growth and expansion. The scheme of arrangement would also infuse additional business to the Transferee Company which has growth potential and hence there is significant synergy for consolidation of the two entities.

Further, Independent operations of Transferor Company and Transferee Company leads to incurrance of significant costs and thus the amalgamation would enable economies of scale by attaining critical mass and achieving cost saving. The amalgamation would also provide the Transferee Company with sustain growth by increasing market share and gaining access to additional customers. Further, the amalgamation would also enable consolidation and further expansion of the Transferee Company. The amalgamation will contribute in furthering and fulfilling the objectives and business strategies of both the companies thereby accelerating growth, expansion and development of their business. The amalgamation would also provide the Transferee Company a strong and focused base to undertake the business more advantageously.

The other benefits likely to arise through the proposed arrangement are as follows:

- I. Optimum and efficient utilization of capital, resources, assets and facilities;
- II. Enhancement of competitive strengths including financial resources;
- III. Consolidation of businesses and enhancement of economic value addition and shareholder value;
- IV. Obtaining synergy benefits;
- V. Better management and focus on growing the businesses.
- VI. The amalgamation would result in reduction of overheads, administrative, managerial and other expenditure and bring about operational rationalization, efficiency and optimum utilization of various resources.
- VII. A larger growing company will mean enhanced financial and growth prospects for the people and organization connected therewith, and will be in public interest. The amalgamation will conducive for better and more efficient and economical control over the business and financial conduct of the Companies
- VIII. Improved organizational capability and leadership, arising from pooling of human capital that has diverse skills, talent and vast experience to compete successfully in an increasing competitive industry.

- C.** The Board of Directors, therefore, considered desirable and expedient to amalgamate “FRL” and “FSL” and in consideration thereof issue Equity Shares of “FSL” to the shareholders of “FRL” (other than the shares already held therein immediately before the amalgamation by Transferee Company) in accordance with this Scheme, pursuant to Section 394 and other relevant provisions of the Companies Act, 1956.

- D.** The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, under Section 394 and other relevant provisions of the Companies Act, 1956, shall take place with effect from the Appointed Date and shall be in compliance with Section 2(1B) of the Income Tax Act, 1961.

PART-I
GENERAL PROVISIONS

1. DEFINITIONS:

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the meanings as set out herein below:

- 1.1. “Act”:** means the Companies Act, 1956, and will include any statutory modifications, re-enactments or amendments thereof.
- 1.2. “Board” or “Board of Directors”:** shall have the same meaning as under the Act.
- 1.3. “Appointed Date”:** means 1st April 2012 , being the date with effect from which the Scheme shall be applicable or such other date as may be approved by the Hon'ble High Court.
- 1.4. “Effective Date”:** means the date on which certified copy of the order of the Hon'ble High Court(s) under Sections 391 and 394 of the Act sanctioning the Scheme is filed with the Registrar of Companies after obtaining the sanctions, orders or approvals referred to in Clause 2 of PART-IV of this Scheme.

References in this Scheme to the date of “Upon the Scheme becoming effective” or “Effectiveness of this Scheme” shall mean the Effective Date.

- 1.5. “Scheme”:** Means this Scheme of Amalgamation among “FSL”, “FRL” and their respective Shareholders as approved by the Board of Directors of both the Companies, in its present form and with any modifications as may be approved by the Hon'ble High Court.
- 1.6. “High Court”:** Means the Hon'ble High Court of Delhi and shall include National Company Law Tribunal (“NCLT”), or any other appropriate forum or authority empowered to approve the Scheme as per the law for the time being in force.
- 1.7. “Record Date”:** Means such date following the Effective Date as may be fixed by the Board of Directors of the Transferee Company to whom shares of the Transferee Company will be allotted pursuant to this Scheme.

2. DATE OF EFFECT AND OPERATIVE DATE:

The Scheme setout herein in its present form or with any modification (s), if any made as per Clause 3 of PART-IV of this Scheme shall be effective from the Appointed Date but shall be operative from Effective Date.

3. CAPITAL STRUCTURE:

The Capital Structure of Transferee Company and Transferor Company as on Appointed Date i.e. 1st April, 2012 and immediately before implementation of the Scheme are as under:

3.1. FUTURISTIC SOLUTIONS LIMITED

Particulars	Amount (Rs.)
Authorized Share Capital	
12,000,000 Equity Shares of Rs. 10 each	120,000,000.00
Issued, Subscribed and Paid up Share Capital	
10,473,447 Equity Shares of Rs. 10/-each	104,734,470.00

There is no change in the Capital structure of the “Transferee Company” since Appointed Date.

3.2. FUTURISTIC REMEDIES LIMITED

Particulars	Amount (Rs.)
Authorized Share Capital	
2,250,000 Equity Shares of Rs. 10/- Each	22,500,000.00
Issued, Subscribed and Paid up Share Capital	
2,170,654 Shares of Rs. 10/- each	21,706,540.00

There is no change in the Capital Structure of the “Transferor Company” since Appointed Date.

PART-II

TRANSFER & VESTING OF UNDERTAKING

1. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and the whole of the undertaking(s), properties and liabilities of Transferor Company shall, in terms of Section 391 and 394 and applicable provisions, if any, of the Act, and pursuant to the orders of the High Court or other appropriate authority or forum, if any, sanctioning the Scheme, without any further act, instrument, deed, matter or thing, stand transferred and vested in and/ or deemed to be transferred to and vested in Transferee Company as a going concern so as to become the undertaking(s), properties and liabilities of Transferee Company.

2. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and undertaking of Transferor Company shall stand transferred to and be vested in Transferee Company without any further deed or act, together with all their properties, assets, rights, benefits and interest therein, subject to existing charges thereon in favour of banks and financial institutions, as the case may be, in the following manner:
 - 2.1. With effect from the Appointed Date and upon the Scheme becoming effective all memberships, licenses, franchises, rights, privileges, permits, quotas, rights, entitlements, allotments, approvals, consents, concessions, trade mark licenses including application for registration of trade mark, patents, copyrights and their right to use available to Transferor Company as on appointed date or any which may be taken after the appointed date but till the effective date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
 - 2.2. With effect from the Appointed Date and upon the Scheme becoming effective all Certificate of Registrations as available with Transferor Company as on Appointed Date or any which may be taken by Transferor Company after the Appointed Date but till the Effective Date shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
 - 2.3. With effect from the Appointed Date and upon the Scheme becoming effective all the assets of Transferor Company as are movable in nature including, but not limited to, stock of goods, raw materials available in the market/ depots/ Godown/factories, sundry debtors, plants and equipments, outstanding loans and advances, insurance

claims, advance tax, Minimum Alternate Tax (MAT) set-off rights, pre-paid taxes, levies/liabilities, CENVAT/VAT credits if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons or any other assets otherwise capable of transfer by physical delivery would get transferred by physical delivery only and all others assets would get transferred by endorsement and delivery by vesting and recordable pursuant to this Scheme, shall stand vested in Transferee Company, and shall become the property and an integral part of Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

2.4. With effect from the Appointed Date and upon the Scheme becoming effective all incorporeal properties of Transferor Company as on Appointed Date or any which may be taken after the Appointed Date but till the Effective Date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

2.5. With effect from the Appointed Date and upon the Scheme becoming effective, all immovable properties including but not limited to land and buildings or any other immovable properties of Transferor Company, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in Transferee Company, without any further instrument, deed or act or payment of any further fee, charge or securities either by the Transferor Company or Transferee Company.

2.6. With effect from the Appointed Date, Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, taxes and fulfill obligations, in relation to or applicable to such immovable properties. The mutation/substitution of the title to the immovable properties shall be made and duly recorded in the name of Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the Hon'ble High Court and the Scheme becoming effective in accordance with the terms hereof.

2.7. With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to Transferor Company to which the Transferor

Company are the party or to the benefit of which Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favor of Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party or beneficiary or obligee thereto.

2.8. With effect from the appointed date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licenses including those relating to trademarks, tenancies, patents, copyrights, privileges, software, powers, facilities of every kind and description of whatsoever nature in relation to Transferor Company to which Transferor Company is the party or to the benefit of which Transferor Company may be eligible and which are subsisting or having effect immediately before the effective date, shall be enforceable as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party or beneficiary or obligee thereto.

2.9. With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, no-objection certificates, permissions or approvals or consents required to carry on operations of Transferor Company or granted to Transferor Company shall stand vested in or transferred to Transferee Company without further act or deed, and shall be appropriately transferred or assigned by the statutory authorities concerned therewith in favor of Transferee Company upon the vesting of Transferor Company Businesses and Undertakings pursuant to this Scheme. The benefit of all statutory and regulatory permissions, licenses, approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of Transferor Company shall vest in and become available to Transferee Company pursuant to this scheme.

2.10. With effect from the appointed date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheets of Transferor Company, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of Transferee Company.

2.11. Without prejudice to the generality of the provisions contained herein, all loans raised after the Appointed Date but till the Effective Date and liabilities incurred by Transferor

Company after the Appointed Date but till the Effective Date for their operations shall be deemed to be of Transferee Company.

2.12. The transfer and vesting of the entire business and undertaking of Transferor Company as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of Transferor Company, as the case may be.

Provided that the securities, charges and mortgages (if any subsisting) over and in respect of the part thereof, of Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of Transferor Company vested in Transferee Company pursuant to the Scheme.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Transferor Company which shall vest in Transferee Company by virtue of the amalgamation of Transferor Company with Transferee Company and Transferee Company shall not be obliged to create any further or additional security there for after the amalgamation has become operative.

2.13. Transferee Company will, 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 other writings or arrangements with any party to any contract or arrangements in relation to Transferor Company to which Transferor Company are parties, in order to give formal effect to the above provisions. Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of Transferor Company.

2.14. With effect from the Appointed Date, Transferee Company shall bear the burden and the benefits of any legal or other proceedings initiated by or against Transferor Company.

Provided however, all legal, administrative and other proceedings of whatsoever nature by or against Transferor Company pending in any court or before any

authority, judicial, quasi judicial or administrative, any adjudicating authority and/or arising after the Appointed Date and relating to Transferor Company or its respective properties, assets, liabilities, duties and obligations shall be continued and/or enforced until the Effective Date by or against Transferor Company; and from the Effective Date, shall be continued and enforced by or against Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against Transferor Company.

2.15. If any suit, appeal or other proceedings of whatever nature by or against Transferor Company be pending, the same shall not abate, be discontinued or be in any way be prejudicially affected by reason of the transfer of the Transferor Company businesses and undertakings or of anything contained in this scheme but the proceedings may be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Company as if this Scheme had not been made.

2.16. On occurrence of the Effective Date, all persons that were employed by Transferor Company immediately before such date shall become employees of Transferee Company with the benefit of continuity of service on same terms and conditions as were applicable to such employees of Transferor Company immediately prior to such transfer and without any break or interruption of service. Transferee Company undertakes to continue to abide by agreement/settlement, if any, entered into by Transferor Company with any union/employee thereof. With regard to Provident Fund, Gratuity Fund, Superannuation fund or any other special fund or obligation created or existing for the benefit of such employees of Transferor Company upon occurrence of the Effective Date, Transferee Company shall stand substituted for Transferor Company, for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing Provident Fund, Gratuity Fund and Superannuation Fund or obligations, if any, created by Transferor Company for their employees shall be continued for the benefit of such employees on the same terms and conditions. With effect from the Effective Date, Transferee Company will make the necessary contributions for such transferred employees of Transferor Company and deposit the same in Provident Fund, Gratuity Fund or

Superannuation Fund or obligations, where applicable. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of Transferor Company in relation to such schemes or funds shall become those of Transferee Company.

- 2.17. Loans or other obligations, if any, due either between Transferee Company and Transferor Company shall stand discharged and there shall be no liability in that behalf. In so far as any securities, debentures or notes issued by the Transferor Company and held by the Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by holder of such securities, at any time prior to the Effective Date, stand cancelled and shall have no further effect.
- 2.18. With effect from the Appointed Date, all the profits or income accruing or arising to Transferor Company, and all expenditure or losses arising or incurred by Transferor Company shall, for all purposes, be treated (including all taxes, if any, paid or accruing in respect of any profits and income) and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of Transferee Company. Moreover, Transferee Company shall be entitled to revise its statutory returns relating to indirect taxes like sales tax/ service tax/excise, etc. and to claim refund/credits and/or set off all amounts under the relevant laws towards the transactions entered into by Transferee Company and Transferor Company which may occur between the Appointed Date and the Effective Date. The rights to make such revisions in the sales tax returns and to claim refunds/credits are expressly reserved in favour of Transferee Company.
- 2.19. Transferee Company shall be entitled to revise its all Statutory returns relating to Direct taxes like Income Tax and Wealth Tax and to claim refunds/advance tax credits and/or set off the tax liabilities of Transferee Company, Transferor Company under the relevant laws and its rights to make such revisions in the statutory returns and to claim refunds, advance tax credits and/or set off the tax liabilities is expressly granted.
- 2.20. It is expressly clarified that with effect from the Appointed Date, all taxes payable by Transferor Company including all or any refunds of the claims/TDS Certificates shall be treated as the tax liability or refunds/claims/TDS Certificates as the case may be of Transferee Company.

2.21. From the Effective Date and till such time as the name of the Transferee Company would get entered as the account holder in respect of all the bank accounts and demat accounts of Transferor Company in the relevant bank's/DP's books and records, the Transferee Company shall be entitled to operate the bank/demat accounts of Transferor Company in their existing names.

2.22. Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of Transferor Company shall stand transferred by the order of the High Court to Transferee Company, Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning court.

3. Conduct of Business

3.1. With effect from the Appointed Date and till the Scheme come into effect:

3.1.1. Transferor Company shall be deemed to carry on all their businesses and activities and stand possessed of their properties and assets for and on account of and in trust for Transferee Company; and all the profits accruing to Transferor Company and all taxes thereon or gains or losses arising or incurred by them shall, for all purposes, be treated as and deemed to be the profits or losses, as the case may be, of Transferee Company.

3.1.2. Transferor Company shall carry on their businesses with reasonable diligence and in the same manner as they had been doing hitherto, and Transferor Company shall not alter or substantially expand their businesses except with the concurrence of Transferee Company.

3.1.3. Transferor Company shall not, without the written concurrence of Transferee Company, alienate charge or encumber any of their properties except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferee Company, as the case may be.

3.1.4. Transferor Company shall not vary or alter, except in the ordinary course of their business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of

Transferee Company the terms and conditions of employment of any of its employees, nor shall it conclude settlement with any union or its employees except with the written concurrence of Transferee Company.

- 3.1.5. With effect from the Appointed Date, all debts, liabilities, duties and obligations of Transferor Company as on the close of business on the date preceding 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 Transferee Company.
- 3.2. Upon the Scheme coming into effect, Transferee Company shall commence and carry on and shall be authorized to carry on the businesses carried on by Transferor Company.
- 3.3. For the purpose of giving effect to the vesting order passed under Sections 391 and 394 of the Act in respect of this Scheme by the Hon'ble High Court, Transferee Company shall, at any time pursuant to the orders on this Scheme, be entitled to get the record of the change in the legal right(s) upon the vesting of the Transferor Company businesses and undertakings in accordance with the provisions of Sections 391 and 394 of the Act. Transferee Company shall be authorized to execute any pleadings; applications, forms, etc. as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

PART- IV
ISSUE OF SHARES & ACCOUNTING TREATMENT

1. REORGANISATION OF CAPITAL IN THE TRANSFEREE COMPANY

1.1. Issue of Shares in the Share Capital of Transferee Company;

Upon this Scheme coming into effect and upon transfer and vesting of the business and undertaking of Transferor Company in Transferee Company, the consideration in respect of such transfer shall, subject to the provisions of the Scheme, be paid and satisfied by Transferee Company as follows:

- 1.1.1. Transferee Company, without further application, act or deed, shall issue and allot to each of the shareholders of "Transferor Company" (other than the shares already held therein immediately before the amalgamation by Transferee Company, its Nominee or Subsidiary Company), shares in proportion of **46 (Forty Five) Equity shares of face value of Rs.10/- (Rupees Ten) each in Transferee Company for every 100 (One Hundred) Equity shares of face value of Rs.10/- (Rupee Ten)** each held by them in "Transferor Company" pursuant to this Scheme of Amalgamation.
- 1.1.2. For arriving at the share exchange ratio as outlined above, the Companies have considered the Valuation Report submitted by an independent professional firm, **M/s Rahul Bansal & Company, Chartered Accountants.**
- 1.1.3. Transferee Company, being listed at Stock Exchange, has obtained Fairness Opinion from SEBI Registered (Cat-1) Merchant Banker, **Corporate Professionals Capital Private Limited**, in terms of Clause 24 (h) of the Listing Agreement.
- 1.1.4. Cross holding at the time of record date (if any), between Transferor Company and the Transferee Company, if not transferred prior to the Effective Date, shall get cancelled at the time of allotment of shares to the shareholders of Transferor Company by Transferee Company and the approval of Scheme by the Court under section 391 and 394 of the Act

shall also be treated as approval under section 100-104 of the Act for reduction of capital pursuant to such cancellations.

- 1.1.5. Any fraction arising out of allotment of equity shares as per clause 1.1.1 above shall be rounded off to the next round number.
- 1.1.6. The said equity shares in the capital of Transferee Company be issued to the shareholders of Transferor Company shall rank *pari passu* in all respects, with the existing equity shares in Transferee Company from the Appointed Date. Such shares in Transferee Company, to be issued to the shareholders of Transferor Company will, for all purposes, save as expressly provided otherwise, be deemed to have been held by each such member from the Appointed Date.
- 1.1.7. Upon the Scheme becoming effective and subject to the above provisions, the shareholders of Transferor Company (other than the shares already held therein immediately before the amalgamation by Transferee Company) as on the record date shall receive new share certificates. Upon the issue and allotment of new shares in the capital of Transferee Company to the shareholders of Transferor Company, the share certificates in relation to the shares held by them in Transferor Company shall be deemed to have been cancelled. All certificates for the new shares in the capital of Transferee Company shall be sent by Transferee Company to the said shareholders of Transferor Company at their respective registered addresses as appearing in the said registers (or in the case of joint holders to the address of that one of the joint holders whose name stands first in such Registers in respect of such joint holding) and Transferee Company shall not be responsible for any loss in transmission.

1.2. INCREASE IN AUTHORIZED SHARE CAPITAL

- 1.2.1. With effect from the Effective Date, without any further acts or deeds on the part of the Transferor Company or Transferee Company and notwithstanding anything contained in Sections 94 to 97 of the Act, the Authorized Share capital of Transferor Company as appearing in its Memorandum of Association on the Effective Date shall get clubbed with

the Authorized Share Capital of the Transferee Company as appearing in its Memorandum of Association on the Effective Date and pursuant to this clubbing the Clause V of the Memorandum of Association of the Transferee Company shall stand altered to give effect to the same with effect from the Effective Date. The Face Value of Equity share shall remain same as of the Transferee Company after clubbing of Authorized Capital.

1.2.2. The fees/duty paid by the Transferor Company for its Authorized Share Capital shall be deemed to have been paid by the Transferee Company.

1.3. On approval of the Scheme by the shareholders of Transferee Company pursuant to Section 391 – 394 of the Act, it shall be deemed that the said shareholders have also accorded their consent under relevant Articles of the Articles of Association of the Company and Section 94 to 97 and other provisions of the Act as may be applicable for giving effect to the provisions contained in this Scheme.

1.4. The issue and allotment of Shares to Shareholders of Transferor Company, as provided in this Scheme, shall be deemed to be made in compliance with the procedure laid down under section 81(1A) and any other applicable provisions of the Act.

2. ACCOUNTING TREATMENT FOR AMALGAMATION

Upon the coming into effect of this Scheme, the amalgamation of the Transferor Company with the Transferee Company shall be accounted for as per the "Accounting Standard 14: Accounting for Amalgamations" as prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Ministry of Corporate Affairs, as may be amended from time to time such that:

2.1. Transferee Company shall, record all the assets and liabilities, including Reserves of the Transferor Company vested in it pursuant to this Scheme, at their respective book values as appearing in the books of Transferor Company on the Appointed Date.

2.2. If at the time of amalgamation, Transferor Company and Transferee Company have conflicting accounting policies, a uniform accounting policy shall be adopted by Transferee Company following the amalgamation. The effect on the financial

statements of any change in accounting policies shall be reported in accordance with Accounting Standard 5, 'Prior Period and Extraordinary Items and changes in accounting policies'.

- 2.3. Investment, if any, in the equity share capital of the Transferor Company by the Transferee Company as appearing in the books of accounts of Transferee Company or vice versa, if not transferred prior to the effective date, shall stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 2.4. The loans and advance or payables or receivables of any kind, held inter-se, if any between the Transferor Company and Transferee Company, as appearing in their respective books of accounts shall stand discharged..
- 2.5. The difference between the share capital issued by the Transferee Company and the net assets of the Transferor Company acquired would be adjusted in the consolidated reserves of the Transferee Company. Also, the difference, if any arising from the cancellation of cross-holdings (if any) shall also be adjusted in the consolidated reserves of the Transferee Company.
- 2.6. The accounting entries proposed in this Scheme shall be effected as a part of this Scheme and not under a separate process in terms of Section 78, 100 to 104 of the Act as the same neither involves diminution of liability in respect of unpaid share capital of Transferee company nor any payment to any shareholder of the Transferee Company of any paid-up capital and the order of High Court sanctioning the Scheme shall be deemed to be a due compliance of the provisions of Sections 100 to 102 of the Act. Consequently, the Transferee Company shall not be required to use the words "and reduced" as part of its corporate name.
- 2.7. The Transferee Company being listed at Stock Exchange, the amalgamation of the Transferor Company and the Transferee Company shall be in compliance of the provisions of the Listing Agreement of Transferee Company with the Stock Exchanges, especially the provisions of Clause 24 and 40A.

3. Saving of Concluded Transactions

The transfer of properties and liabilities and the continuance of proceedings by or against Transferor Company as envisaged in above shall not affect any transaction or proceedings already concluded by Transferee Company on or before the Appointed Date and after the

Appointed Date till the Effective Date, to the end and intent that Transferor Company accept and adopts all acts, deeds and things done and executed by Transferee Company in respect thereto as done and executed by Transferee Company in respect thereto as done and executed on behalf of itself.

4. Dissolution of Transferor Company

On occurrence of the Effective Date, Transferor Company shall, without any further act or deed, shall stand dissolved without winding up.

PART - IV
OTHER PROVISIONS

1. Application/Petition to High Court:

- 1.1. Transferor Company and Transferee Company shall, with all reasonable dispatch, make application/petition to the Hon'ble High Court, under Section 391 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 members and/or creditors and for sanctioning the Scheme with such modifications as may be approved by the Hon'ble High Court.
- 1.2. On the Scheme being agreed to by the requisite majorities of all the classes of the members and/or creditors of Transferor Company and Transferee Company shall, with all reasonable dispatch, apply to the Hon'ble High Court, for sanctioning the Scheme under Sections 391, 394 and other applicable provisions of the Act, and for such other orders, as the said High Court may deem fit for carrying this Scheme into effect and for dissolution of Transferor Company without winding-up.

2. Conditionality of Scheme:

The Scheme is conditional upon and subject to:

- 2.1. The Scheme being agreed to by the respective requisite majority of members and creditors of each of Transferor Company and Transferee Company;
- 2.2. The Scheme being approved by the Hon'ble High Court;
- 2.3. All certified copies of the order(s) of the High Court sanctioning this Scheme being filed with the Registrar of Companies of relevant jurisdiction.
- 2.4. This Scheme although to come into operation from the Appointed Date shall not become effective until the necessary certified copies of the order(s) under Sections 391 to 394 of the Act shall be duly filed with the Registrar of Companies of relevant jurisdiction.

3. Modification or Amendment

- 3.1. Transferee Company (acting through its Board of Directors) and Transferor Company (acting through its respective Board of Directors) may assent to any modifications or amendments to this Scheme which the High Court(s) and/or other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for any question or doubt or difficulty that may arise for implementing and/or carrying out the scheme or which is generally in the benefit or interest of the shareholders and/or creditors. Transferee Company (acting through

its Board of Directors) and Transferor Company (each acting through its respective Board of Directors) and after the dissolution of Transferor Company; Transferee Company (by its Board 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 doubt, difficulties or questions whether by reason of any order(s) of the High Court(s) or of any directive or order(s) 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.

- 3.2. Transferor Company and Transferee Company shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the Hon'ble High Court or any other authority is not on terms acceptable to them.
- 3.3. In the event of this Scheme failing to take effect finally this Scheme shall become null and void and in that event 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. In such case each Company shall bear its own costs or as may be mutually agreed.

4. General Terms and Conditions

All costs, charges, fees, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and matters incidental thereto shall be borne and paid by Transferee Company. All such costs, charges, fees, taxes, stamp duty including duties (excluding the stamp duty, if any, paid on this scheme which shall be pro rata added to the value of the immovable properties), levies and all other expenses, shall be debited to the Profit and Loss Account of Transferee Company.