

SCHEME OF ARRANGEMENT (DEMERGER)

BETWEEN

INDIANIVESH LIMITED

AND

INDIANIVESH FINANCIAL ADVISORS LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 AND SECTION 52
OF THE COMPANIES ACT 2013 AND OTHER APPLICABLE PROVISIONS
OF THE COMPANIES ACT, 2013

1. PREAMBLE

1.1. This Scheme of Arrangement (Demerger) (the "Scheme") is presented under Sections 230 to 232 read with Section 66 and Section 52 of the Companies Act, 2013 and other relevant provisions of the Act for the de-merger of IndiaNivesh Limited into IndiaNivesh Financial Advisors Limited and reduction of paid up equity share capital of IndiaNivesh Limited.

1.2. The Scheme is divided into the following parts:

- (i) **Part I** deals with Definitions, Interpretations and Share Capital
- (ii) **Part II** deals with Re-organisation Of Share Capital
- (iii) **Part III** deals with Demerger Of The Demerged Undertaking Of The Demerged Company And Vesting The Same With The Resulting Company
- (iv) **Part IV** deals with Accounting Treatment
- (v) **Part V** deals with Remaining Business Of Demerged Company
- (vi) **Part VI** deal with General Terms And Conditions

2. **DESCRIPTION OF COMPANIES**

- 2.1. IndiaNivesh Limited incorporated under the Indian Companies Act, 1913 on the May 25, 1929 and received the Commencement of Business Certificate on December 21, 1931 and has its registered office at 601 & 602 Sukh Sagar, N.S. Patkar Marg, Girgaum Chowpatty Mumbai 400 007, Maharashtra, India is a Non Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI). It is listed on Bombay Stock Exchange Limited (BSE) (the "INL" or "Demerged Company"). The Corporate Identity Number of the Demerged Company is L99500MH1931PLC001493. The Demerged Company is engaged in primarily two distinct and diverse business activities through the following undertakings, namely:



a. Non-Banking Finance undertaking ("**NBFC Undertaking**") comprising of business of Inter-Corporate Deposits, Short Term Financing and Bridge Loans, acquisition and management of Stressed Assets, Investment in shares and securities, quoted as well as unquoted including the business of providing corporate advisory. For the purpose of carrying on the above business, the Demerged Company has obtained registration of Reserve Bank of India (RBI).

b. Investment business undertaking (Investment in Subsidiaries & Group/Associate Companies) - it is primarily a Holding Company, holding investments in its subsidiaries and other Group/Associate Companies. ("**Demerged Undertaking**")

2.2. IndiaNivesh Financial Advisors Limited is a Public Limited Company (earlier known as IndiaNivesh Financial Advisors Private Limited) incorporated under the Companies Act, 1956 on the April 25, 2006 and has its registered office at 601 & 602 Sukh Sagar, N.S. Patkar Marg, Girgaum Chowpatty Mumbai 400 007, Maharashtra, India (the "**Resulting Company**"). The Corporate Identity Number of the Resulting Company is U74140MH2006PLC161342. The Resulting Company is primarily engaged inter alia in the business of financial consultants, advisors, counselors in investment and capital market.

3. RATIONALE & PURPOSE OF THE SCHEME

3.1. All the operating business of the Demerged Company, except for business of Inter-Corporate Deposits, Short Term Financing and Bridge Loans, acquisition and management of Stressed Assets, Investment in shares and securities, quoted as well as unquoted, corporate advisory are held in its subsidiaries including wholly owned subsidiaries. Accordingly, to align the overall operating structure, it is proposed to transfer the Demerged Undertaking of the Company into the Resultant Company. ("**Proposed Demerger**")

3.2. The transfer and vesting of the Demerged Undertaking (as defined below) in the Resulting Company, shall be in the larger interest of the shareholders, creditors of the Demerged Company and shall be in the interest of future growth of the Resulting Company.

3.3. The transfer and vesting shall achieve the following benefits for the Demerged Company and the Resulting Company:

- a. the Proposed Demerger will enable the better and more efficient management, control and running of the Demerged Undertaking and the Investment in Subsidiary & Group/Associate Companies Business;
- b. the Proposed Demerger is in the interest of shareholders of INL and will enable both INL and the Resulting Company to achieve and fulfill their objectives more efficiently and offer opportunities to the management of both the companies to vigorously pursue growth and expansion opportunities;



- c. the Proposed Demerger will enable investors to separately hold investments which best suit their investment strategies and risk profiles;
- d. the Proposed Demerger will enable INL to focus and enhance its remaining business operations by streamlining operations and ensuring better and more efficient management control;
- e. the Proposed Demerger of Demerged Business Undertaking would result in issuance of equity shares to the shareholders of the Demerged Company by the Resulting Company, thereby, resulting in unlocking and maximizing shareholder value; and
- f. The Scheme shall be beneficial for the interest of the Companies, their shareholders, creditors and employees.

Thus, with the aforesaid objectives, it is proposed to demerge the Demerged Undertaking of the Demerged Company to the Resulting Company.

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

4.1. The Demerger under this Scheme will be affected under the provisions of Sections 230 to 232 read with Section 66 and Section 52 of the Companies Act, 2013 and other relevant provisions of the Act. The Demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company shall comply with the provisions of Section 2(19AA) of the Income Tax Act, 1961 (the "Section") such that:

- (i) The provision of Part II, Part III, Part IV, Part V and Part VI of this Scheme have been drawn up, to comply with the conditions relating to "Demerger" as defined under the Section;
- (ii) All the properties of the Demerged Undertaking being transferred by the Demerged Company, as on the Appointed Date shall become the properties of the Resulting Company by virtue of this Scheme;
- (iii) All the liabilities relating to the Demerged Undertaking, as on the Appointed Date shall become the liabilities of the Resulting Company by virtue of this Scheme;
- (iv) The properties and the liabilities relating to the Demerged Undertaking being transferred by the Demerged Company shall be transferred to the Resulting Company at values appearing in the books of account of the Demerged Company immediately before the Demerger;
- (v) The Resulting Company shall pursuant to the demerger in consideration of the net assets received, issue, shares to the shareholders of the Demerged Company on a proportionate basis;
- (vi) The transfer of the Demerged Undertaking shall be on a going concern basis.



PART I

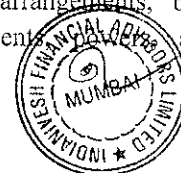


DEFINITIONS, INTERPRETATIONS AND SHARE CAPITAL

5. DEFINITIONS AND INTERPRETATIONS

5.1. In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- (i) “2013, Act” shall mean the Companies Act, 2013 and the rules, regulations, circulars and notifications issued thereunder, each as amended from time to time and to the extent in force;
- (ii) “Act” shall mean collective reference to the 2013 Act, as amended or substituted by any statutory modification/re-enactment thereof;
- (iii) “Appointed Date” shall mean the opening of the business hours as on 1st October, 2016 or if the Board of Directors of the Demerged Company and the Resulting Company require any other date or the National Company Law Tribunal or other competent authority modifies the appointed date to such other date, then the same shall be the appointed date;
- (iv) “Board of Directors” or “Board” in relation to Demerged Company and Resulting Company, as the case may be, shall mean the board of directors of such company and shall include a committee duly constituted and authorized for the purposes of matters pertaining to the Proposed Demerger, the Scheme and/or any other matter relating thereto;
- (v) “Book Value” shall mean the value(s) of assets and liabilities of the Demerged Undertaking, as appearing in the books of accounts of the Demerged Company at the close of business as on the day immediately preceding the Appointed Date;
- (vi) “NCLT” shall mean the Hon’ble National Company Law Tribunal at Bombay and shall be deemed to include, if applicable, a reference to such other forum or authority which may be vested with any of the powers of a Tribunal to Sanction the Scheme under the Act.
- (vii) “Demerged Undertaking” shall mean Investment business undertaking (Investment in Subsidiaries) - it is primarily a Holding Company, holding investments in its subsidiaries and other Group/Associate Companies.
 - a. all assets (whether movable or immovable, real or personal corporeal or incorporeal, present or future, contingent or definite, tangible or intangible) including furniture, fixtures, accessories, vehicles, in relation to the Demerged Undertaking, letters of intent, permits, registrations, settlements, rights, credits, title, interest, benefits, advantages, sundry debtors, deposits, provisions, advances, receivables, funds, leases, licenses, tenancy rights, premises, hire purchase and lease arrangements, benefits of agreements, contracts and arrangements, authorities,



industrial and other licenses, registrations, quotas, permits, allotments, approvals, consents, privileges, liberties, advantages, easements, and all the rights, titles, interests, goodwill, benefit entitlements and advantages, contingent rights or benefit belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company with respect to Demerged Undertaking as on the Appointed Date;

- b. All present or future, secured or unsecured, asserted or unasserted debts, duties, obligations, guarantees, assurances, and liabilities, including contingent liabilities in respect of the Demerged Undertaking and also including all other debts, liabilities, duties and obligations of the Demerged Company relating to the Demerged Undertaking which may accrue or arise after the Appointed Date but which is related to the period up to the day of immediately preceding the Appointed Date; and
- c. the specific loans and borrowing raised, incurred and utilized solely for the activities and operations of the Demerged Company in relation to the Demerged Undertaking.
- d. all permanent employees of the Demerged Company engaged in the Demerged Undertaking;
- e. all intellectual property rights, including trademarks, trade names and the goodwill associated therewith, patents, patent rights, copyrights and other industrial designs and intellectual properties and rights of any nature whatsoever including know-how, or any applications for the above, assignments and grants in respect thereof of the Demerged Company in relation to the Demerged Business Undertaking as on the Appointed Date;
- f. cash, bank balance and deposits of the Demerged Company with banks, government, semi-government, local and other authorities and bodies with respect to the Demerged Business Undertaking;
- g. all books, records, files, papers, information, software, computer programs along with their licenses, drawings, manual, data, catalogues, quotations, sales and advertising materials, list of present and former clients, and any other record whether in physical or electronic form, in connection with or relating to the Demerged Business Undertaking of the Demerged Company as on the Appointed date;
- h. all legal, tax, regulatory, quasi-judicial, administrative or other proceedings, suits, appeals, applications or proceedings of whatsoever nature initiated by or against the Demerged Company in connection with the Demerged Business Undertaking;



It is clarified that Demerged Undertaking of the Demerged Company shall not include any employees, assets, liabilities, rights and obligations belonging to and forming part of the NBFC Undertaking. Further, any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company. The statement of assets and liabilities of the Demerged Undertaking as at September 30, 2016 is set out in the Schedule I attached to this Scheme hereto.

- (viii) **"Effective Date"** shall mean the date or last of the dates on which the certified copies of the orders sanctioning the Scheme, passed by the National Company Law Tribunal at Bombay or such other competent authority are filed by the Demerged Company and the Resulting Company with their respective Registrar of Companies. Any references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" or "upon the scheme becoming effective" shall mean the Effective Date;
- (ix) **"Encumbrance"** means any options, pledge, mortgage, lien, security, interest, claim, charge, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever;
- (x) **"NBFC Undertaking"** shall mean the business comprising of Inter-Corporate Deposits, Short Term Financing and Bridge Loans etc. and acquisition and management of Stressed Assets, Investment in shares and securities, quoted as well as unquoted including the business of providing corporate advisory. For the purpose of carrying on the above business, the Demerged Company has obtained registration of Reserve Bank of India (RBI);
- (xi) **"IT Act"** shall mean the Income Tax Act, 1961, rules and regulations made thereunder and shall include any statutory modification, re-enactment or amendments thereof for the time being in force;
- (xii) **"Record Date"** shall mean the date or dates to be fixed by the Board of Directors or duly authorised Director or Committee of Directors of the Board of Directors of Demerged Company for the purpose of determining the members of the Demerged Company to whom equity shares of the Resulting Company will be issued and allotted under this Scheme;
- (xiii) **"Scheme"** shall mean the Scheme of Arrangement (Demerger) presented under Sections 230 to 232 read with Section 66 and Section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 for de-merger of IndiaNivesh Limited into IndiaNivesh Financial Advisors Limited and reduction of paid up equity share capital of IndiaNivesh Limited;
- (xiv) **"Stock Exchange"** shall mean the BSE Limited where equity shares of IndiaNivesh Limited are listed;



(xv) “Resulting Company” shall have the meaning ascribed to it in Clause 2.2 of this Scheme;

(xvi) “Demerged Company” shall have the meaning ascribed to it in Clause 2.1 of this Scheme;

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, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the Regulations made thereunder), the Depositories Act, 1996, the Income Tax Act, 1961 and other applicable laws, rules, regulations, byelaws, as the case may be, including any statutory modification or re-enactment thereof, from time to time. In particular, wherever reference is made to the Hon'ble National Company Law Tribunal in this Scheme, the reference would include, if appropriate, reference to such other forum or authority, as may be vested with any of the powers of a NCLT under the Act.

6. DATE OF TAKING EFFECT AND OPERATIVE DATE

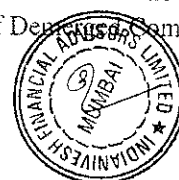
The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by NCLT shall be effective from the Appointed Date but shall be operative from the Effective Date.

7. SHARE CAPITAL

7.1. The share capital of the Demerged Company, as on September 30, 2016 was as under:

Particulars	September 30, 2016 (Unaudited) (in Rs.)
<u>Authorized Share Capital</u>	
5,06,00,000 Equity Shares of Re.1/- each.	5,06,00,000/-
Total	5,06,00,000/-
<u>Issued, Subscribed and Paid up Share Capital</u>	
3,77,50,000 Equity Shares of Re.1/- each.	3,77,50,000/-
Total	3,77,50,000/-

Subsequent to 30th September, 2016 and till the date the Scheme is approved by the Board of Directors of the Demerged Company, there has been no change in the authorized, issued, subscribed and paid-up capital of Demerged Company.



7.2. The share capital of the Resulting Company as on September 30, 2016 was as under:

Particulars	September 30, 2016 (Unaudited) (in Rs.)
<u>Authorized Share Capital</u>	
50,00,000 Equity Shares of Rs. 10/- each	5,00,00,000/-
Total	5,00,00,000/-
<u>Issued, Subscribed and Paid up Share Capital</u>	
43,80,300 Equity Shares of Rs.10/- each	4,38,03,000/-
Total	4,38,03,000/-

Subsequent to September 30, 2016 and till the date of the Scheme being approved by the Board of Directors of the Resulting Company, there has been no change in the authorised, issued, subscribed and paid-up capital of the Resulting Company.



PART II
REORGANISATION OF SHARE CAPITAL

8. REDUCTION OF SHARE CAPITAL:

8.1 Upon the Scheme coming into effect on the Effective Date and immediately after issuance of the equity shares of the Resulting Company to the equity shareholders of the Demerged Company, the reduction in the issued and paid-up equity share capital of the Demerged Company shall be effected as an integral part of the Scheme in accordance with the provision of Section 66(1)(a) of the Companies Act, 2013 and/or any other applicable provisions of the Act without any further act or deed on the part of Demerged Company and without any approval or acknowledgement of any third party. The order of NCLT sanctioning the Scheme shall be deemed to also be the order passed by NCLT under Section 66 of the Companies Act, 2013, for the purpose of confirming such reduction. The aforesaid reduction would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up equity share capital and the provision of Section 66 (1) (a) of the Companies Act, 2013, shall not be applicable. Notwithstanding the reduction in the issued and paid-up equity share capital of the Demerged Company shall not be required to add "And Reduced" as suffix to the same.

8.2 It is expressly clarified that the consent of the shareholders and secured and unsecured creditors of the Demerged Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reorganization in the issued and paid-up equity share capital of the Demerged Company resulting in a reduction in the equity share capital of the Demerged Company, and no further resolution and/or action under Section 66 of the Companies Act, 2013 and/or any other applicable provisions of the Act would be required to be separately passed or taken.

8.3 The reduction of the issue and paid-up share capital of the Demerged Company as contemplated in this clause shall become effective, in accordance with the provisions of Section 66(5) of the Companies Act, 2013 and/or any other applicable provisions of the Act and rules and regulations framed there under, pursuant to the filing of the order of NCLT sanctioning the aforesaid capital reduction by the Demerged Company with ROC and upon registration by the ROC of such order of NCLT and of the minute approved by NCLT, if any, showing with respect to the issued and paid-up equity share capital of the Demerged Company as altered by the order: (a) the amount issued and paid-up share capital; (b) the number of shares into which it is to be divided; (c) the amount of each share; and (d) the amount, if any, deemed to be paid-up on each share at the date of registration of the aforesaid minute and order by the ROC. Such reduction in the issued and paid-up equity share capital of the Demerged Company as contemplated in the Scheme shall be conditional upon this Scheme becoming effective on the Effective Date. If this Scheme is, for any reason whatsoever, not sanctioned by NCLT, such reduction of issued and paid-up equity share capital as set out in the Clause 8 of the Scheme shall not become effective and shall be deemed to be redundant.

8.4 On the effective date, the subscribed and fully paid up share capital of the Demerged Company shall stand reduced from Rs.3,77,50,000/- (Rupees Three Crore Seventy Seven lakh Fifty Thousand only) divided into 3,77,50,000 (Three Crore Seventy Seven lakh Fifty Thousand) fully paid up equity shares of Re.1/- each to Rs.11,32,500/- (Rupees Eleven Lakhs Thirty Two Thousand Five Hundred only) divided into 3,77,50,000 (Three Crore Seventy Seven lakh Fifty



Thousand) fully paid up equity shares of Re.0.03 each. Simultaneously thereafter, every 100 of such equity shares of the reduced face value of Re.0.03 each shall stand consolidated into 3 equity shares of the face value Re.1/- each, thus making reduced paid up capital of the Demerged Company to Rs. 11,32,500/- (Rupees Eleven Lakhs Thirty Two Thousand Five Hundred only) divided into 11,32,500/- (Eleven Lakhs Thirty Two Thousand Five Hundred) shares of Re.1/- each. Consequently, every shareholder of the Demerged Company, whose name appears on Register of Members on Record Date, shall receive 3 (three) equity share of Re.1/- each in lieu of every 100 equity shares of Re.1/- each, held earlier in the Demerged Company. The revised structure of the share capital of the Demerged Company shall be as follows:

Particulars	(in Rs.)
<u>Authorized Share Capital</u>	
5,06,00,000 Equity Shares of Re.1 each	5,06,00,000/-
Total	5,06,00,000/-
<u>Issued, Subscribed and Paid up Share Capital</u>	
11,32,500 Equity Shares of Re.1 each	11,32,500/-
Total	11,32,500/-

The aforesaid reduction shall be the difference between the value of the assets and the liabilities of the Demerged Undertaking transferred pursuant to the Scheme after adjusting the reserves as contemplated under Clause 17.2 of the Scheme.

The reduction / restructuring of the equity capital of the Demerged Company shall not cause any shareholder to hold any fractional shares in the Company. In respect of the fractional shares, if any, caused by the reduction / restructuring of the equity capital, the same shall be rounded off to the nearest whole number. For example if shareholder would hold 10.4 shares after reduction / restructuring of the equity capital, it shall be rounded off to 10 shares and the 0.4 shares shall be ignored. However, if the shareholder will hold say 10.5 shares, it shall be rounded off to 11 shares.

With respect to reduction / restructuring of the equity capital, in case of fractions, the Demerged Company shall not issue the fractional shares and shall consolidate the same to the nearest entitlement. However, in view of rounding off to the higher integer in some cases, on consolidation of fractions to the nearest entitlement, capital may tend to increase more than 11,32,500 shares post consolidation, in such case excess shares should be adjusted from the Promoters entitlement of the Demerged Company. The nearest integer, the capital should not exceed 11,32,500 equity shares of Re.1/- each.



PART III

DEMERGER OF THE DEMERGED UNDERTAKING OF THE DEMERGED COMPANY AND VESTING THE SAME WITH THE RESULTING COMPANY

9. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

9.1 With effect from the Appointed Date and upon this Scheme coming into effect, the Demerged Undertaking (including all accretions and appurtenances) shall, without any further act, instrument or deed, be and stand demerged from the Demerged Company and transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company as a going concern, so as to vest in the Resulting Company, all the estates, properties, assets, rights, claims, titles, interests and authorities pertaining to Demerged Undertaking, pursuant to Sections 230 to 232 of the Companies Act, 2013 and any other relevant provisions of the Act and the order of NCLT sanctioning the Scheme, subject however, to subsisting charges, if any. The value of the assets pertaining to the Demerged Undertaking being transferred to and vesting with the Resulting Company in accordance with this Scheme on the basis of the Book Value as set out in the balance sheet of the Demerged Company as on September 30, 2016.

9.2 The transfer and vesting of the Demerged Undertaking, as aforesaid, shall be subject to the existing charges, hypothecation, mortgages and/or encumbrances, if any, over the assets or any part thereof, provided however that such charges, hypothecation, mortgages and/or encumbrances shall be confined only to the assets of the Demerged Undertaking or part thereof on or over which they are subsisting upon transfer to and vesting of such assets in the Resulting Company and no such charges, hypothecation, mortgages and/or encumbrances shall extend to over or apply to any other asset(s) of the Resulting Company. Any reference to any security documents or arrangements (to which the Demerged Company is a party) to any assets of the Demerged Company shall be so construed to the end and intent that such security shall not extend nor be deemed to extend, to any other asset(s) of the Resulting Company unless specifically agreed to by the Resulting Company subject to the consents and approval of the existing secured creditors of the Resulting Company. Similarly, the Resulting Company shall not be required to create any additional security over the assets of the Demerged Undertaking acquired by it under this Scheme for any loans, debentures, deposits or other financial assistance already availed/to be availed by the Resulting Company and the charges, mortgages, hypothecation and/or encumbrances in respect of the such indebtedness of the Resulting Company shall not extend nor be deemed to extend or apply to the assets of the Demerged Undertaking so acquired by the Resulting Company.

9.3 It is clarified that the transfer of the Demerged Undertaking to the Resulting Company shall not affect the subsisting charges, hypothecations, mortgages and/or encumbrances over the assets retained by the Demerged Company or any part thereof and such charges, hypothecation, mortgages and/or encumbrances shall continue to be applicable in respect of such assets.



9.4 It is clarified that the transfer of the Demerged Undertaking to the Resulting Company shall automatically and without any further act, instrument or deed transfer any or all the Corporate Guarantees granted by the Demerged Company in respect of the Demerged Undertaking so as to become as and from the Appointed date, the Corporate Guarantees granted by the Resulting Company and the Resulting Company shall be bound by the terms and conditions thereof as were applicable to the Demerged Company.

9.5 In respect of the assets of the Demerged Undertaking which are movable in nature and/or otherwise capable of transfer by manual or constructive delivery or by paying over and/or by endorsement and delivery, the same shall be so transferred by the Demerged Company, without requiring any deed or instrument of conveyance for transfer of the same and shall become the property of the Resulting Company accordingly and as an integral part of the Demerged Undertaking transferred to the Resulting Company.

9.6 In respect of the assets of the Demerged Undertaking other than those referred to in Clause 9.5 above, including immovable properties, trade receivables, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances, deposits and balances, if any, with Government, semi-government, local and other authorities and bodies, clients and other persons, the same shall be transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company on the Appointed Date, pursuant to the provisions of Section 232 of Companies Act, 2013 and other applicable provisions of the Act.

9.7 The Demerged Company may, at any time after coming into effect of this Scheme and in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any other party to any contract or arrangement to which the Demerged Company or either of them is party to, in writing as may be necessary to be executed in order to give formal effect to the above provisions. The Demerged Company shall, under the provision of this Scheme be deemed to be authorised to execute any such writings on behalf of the Companies or either of them and to implement or carry out all such formalities or compliances that are to be carried out or performed.

9.8 All registrations, goodwill, licenses, trademarks, service marks, copyrights, domain names, applications for copyrights, trade names and trademarks and other intellectual property rights, appertaining to Demerged Company in relation to the Demerged Undertaking, if any, shall stand vested in the Resulting Company without any further act, instrument or deed.

9.9 With effect from the Appointed Date and subject to the provisions of this Scheme, all debts, liabilities, duties and obligations of every kind, nature and description of or relating to Demerged Undertaking shall, without any further act, instrument or deed, be and stand transferred to and vested in or be deemed to be transferred to and vested in from the Demerged Company to the Resulting Company so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Resulting Company, pursuant to Sections 230 to 232 of the Companies Act, 2013 and any other relevant provisions of the Act and the order



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.

9.10 It is clarified that any amounts received by the Demerged Company after the Effective Date on account of proceedings relating to the Demerged Undertaking, including proceedings under various tax laws, pending as on the Effective Date, shall be deemed to have been received in trust and on behalf of the Resulting Company and the same shall forthwith be remitted by the Demerged Company to the Resulting Company.

10. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

10.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, if any, of whatsoever nature relating to the Demerged Undertaking to which the Demerged Company is a party, subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of the Resulting Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto.

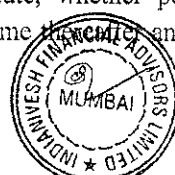
10.2 Without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, insurance covers, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company.

10.3 The Demerged Company shall, if and to the extent required by the law, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, to give formal effect to the provisions of this Scheme and to the extent that the Demerged Company is required, prior to the Effective Date, to join in such deeds, writings or confirmations, the Resulting Company shall be entitled to act for and on behalf of and in the name of the Demerged Company.

10.4 All records, files, papers, engineering and process information, computer program, software licenses, manuals, data, catalogues and other records whether physical and electronic form in connection with or relating to the Demerged Business Undertaking.

11. LEGAL, TAXATION AND OTHER PROCEEDINGS

Upon coming into effect of this Scheme, all legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Effective Date or which may be instituted any time thereafter, and in each case



relating to the Demerged Undertaking shall be continued and enforced by or against the Resulting Company with effect from the Effective Date. Except as otherwise provided herein, the Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Demerged Company. The Demerged Company shall be impleaded as a party to such proceedings and shall prosecute or defend such proceedings at its own right, cost.

12. EMPLOYEES

12.1 All the permanent employees of the Demerged Company engaged in or in relation to the Demerged Undertaking and who are in such employment as on the Appointed Date shall be deemed to have become the employees of the Resulting Company with effect from the Appointed Date (the "Transferred Employees") on the same terms and conditions of employment on which they are engaged by the Demerged Company without any interruption, break or discontinuance in their service due to the transfer of the Demerged Undertaking to the Resulting Company. The Resulting Company undertakes to continue to abide by any agreement/settlement entered into by the Demerged Company with any union/employee of the Demerged Company in relation to the Transferred Employees.

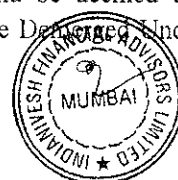
12.2 The Resulting Company agrees that the services of the Transferred Employees with the Demerged Company prior up to the Appointed Date shall be taken into account for the purposes of all the benefits to which the Transferred Employees may be eligible, including in relation to the level of remuneration, contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and any other retirement benefits and accordingly, shall be reckoned therefore from the date of their respective appointment in the Demerged Company.

12.3 In case, the Transferred Employees are members or beneficiaries of any existing government provident fund, government superannuation fund and LIC gratuity fund along with all accumulated contributions therein till the Appointed Date shall, with the approval of the concerned authorities, be transferred to and continued to be administered by Resulting Company for the benefit of the Transferred Employees on the same terms and conditions. Accordingly, the provident fund, superannuation fund and/or gratuity fund dues, if any, of the Transferred Employees would be continued to be deposited in the transferred provident fund, superannuation fund and/or gratuity fund account by Resulting Company, to the end and intent that all rights, duties, powers and obligations of the Demerged Company with respect to the Transferred Employees and in relation to such benefits shall become those of the Resulting Company.

13. CONDUCT OF BUSINESS TILL EFFECTIVE DATE:

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

13.1 The Demerged Company shall be carrying on and be deemed to have been carrying on all the business activities relating to the Demerged Undertaking and



shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions for the Demerged Undertaking for and on account of, and in trust for, the Resulting Company. The Demerged Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.

13.2 All profits and income accruing or arising to the Demerged Company from the Demerged Undertaking, and losses and expenditure arising or incurred by it including taxes (including advance tax), if any, accruing or paid in relation to any profits or income relating to the Demerged Undertaking for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Resulting Company.

13.3 The Demerged Company shall carry on the business of the Demerged Undertaking, on and after the Appointed Date and until the Effective Date, with reasonable diligence and business prudence and in the same manner as it had been doing hitherto, and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of commitment either themselves or on behalf of its respective affiliates or associates or any other third party, or sell, transfer, alienate, charge, mortgage or encumber or deal in any of its properties/assets, except:

- (i) When the same is expressly provided in this Scheme; or
- (ii) When the same is in the ordinary course of business as carried on, as on the date of filing of this Scheme in NCLT; or
- (iii) When written consent of the Resulting Company has been obtained in this regard.

13.4 On and after the Appointed Date and until the Effective Date, the Demerged Company shall not without the prior written approval of the Board of Directors of the Resulting Company except as contemplated in the Scheme, issue or allot further securities, either by way of rights or bonus or otherwise.

14. IMPACT OF THE SCHEME ON CREDITORS/ BANKS/ FINANCIAL INSTITUTIONS

The Scheme shall not affect any of the Companies' creditors/ banks/ financial institutions. The Scheme does not provide any compromise or arrangement with the creditors except as provided in the Scheme.

15. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of Demerged Undertaking as above and the continuance of proceedings by or against the Resulting Company under Clause 11 of this Scheme and the effectiveness of contracts and deeds under Clause 10 of this Scheme shall not affect any transaction or proceedings or contracts or deeds concluded by the Demerged Company on or before the Appointed Date



and after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in respect thereto.

16. DIVIDEND

16.1 The Demerged Company and the Resulting Company shall be entitled to declare and pay dividend, whether interim or final to their respective shareholders in respect of the accounting period prior to the Effective Date.

16.2 Upon the Scheme becoming effective, on and from the Appointed Date, the profits of the Demerged Undertaking shall belong to and be the profits of the Resulting Company and will be available to Resulting Company for being disposed of in any manner as it thinks fit.

16.3 It is clarified that the aforesaid provisions in respect of declaration of dividend are enabling provisions only and shall not be deemed to confer any right on Demerged Company and / or Resulting Company to demand or claim any dividend which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of Demerged Company and Resulting Company respectively, subject to such approval of the shareholders, as may be required.

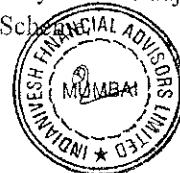
PART – IV

ACCOUNTING TREATMENT

17. ACCOUNTING TREATMENT IN BOOKS OF THE DEMERGED COMPANY:

17.1 Upon the Scheme coming into effect, the assets and liabilities pertaining to the Demerged Undertaking of the Demerged Company being transferred to, the Resulting Company, shall be at values appearing in the books of account of the Demerged Company as on the Appointed Date which are set forth in the closing balance sheet of the Demerged Company as on the closing of business hours on the date immediately preceding the Appointed Date.

17.2 The difference between the value of the assets and the liabilities of the Demerged Undertaking transferred pursuant to the Scheme shall be adjusted in the following seriatim (i) against Profit & Loss Account (ii) remaining balance (if any) will be adjusted against Securities Premium Account (iii) remaining balance (if any) will be then appropriately adjusted against General Reserve Account. The balance of the Profit & Loss Account, Securities Premium Account & General Reserve Account as the case may be, shall stand reduced to that extent. As on September 30, 2016, the balance in the Profit & Loss Account is Rs.10,92,21,737 /- whereas the balance in Securities Premium Account & General Reserve Account is Rs.9,49,87,500/- & Rs.1,21,30,170/- respectively. Pursuant to demerger, the excess of net assets transferred amounting to Rs.27,43,61,062/- shall be first entirely debited to Profit and Loss Account, Securities Premium Account & General Reserve Account, whereas the balance remaining if any shall be adjusted against the capital balance as reduced as per Clause 8 of the Scheme.



17.3 The reduction, in the Securities Premium Account shall be effected as an integral part of the Scheme in accordance with the provisions of Section 66 and Section 52 of the Companies Act, 2013 and the order of the Hon'ble NCLT sanctioning the Scheme shall be deemed to be also the order under Section 66 of the Companies Act, 2013 for the purpose of confirming the reduction. The reduction would not involve either the diminution of liability in respect of unpaid share capital or payment of share capital. Notwithstanding the reduction as mentioned above, the Demerged Company shall not be required to add "and reduced" as suffix to its name and the Demerged Company shall continue in its existing name.

17.4 Notwithstanding the above, the Demerged Company in consultation with the auditors, is authorized to account any of these balances in any manner whatsoever, if considered more appropriate.

18. ACCOUNTING TREATMENT IN BOOKS OF THE RESULTING COMPANY:

18.1 Upon the Scheme becoming effective but from the Appointed Date, the Resulting Company shall record the assets and liabilities pertaining to the Demerged Undertaking, at the respective book values as appearing in the books of account of the Demerged Company as on the Appointed Date, which are set forth in the closing balance sheet of the Demerged Company as on the closing of business hours on the date immediately preceding the Appointed Date. However, any inter Company balances between the Demerged Company and the Resulting Company shall stand set-off and cancelled post demerger. Accordingly, an amount of Rs.2,14,04,155/- receivable from the Demerged Company shall stand cancelled on the appointed date.

18.2 Upon the Scheme being effective, the Resulting Company shall credit to the Equity Share Capital Account in its books of accounts, the aggregate face value of the new equity shares issued and allotted to the equity shareholders of the Demerged Company.

The difference being the excess/deficit of assets over liabilities transferred to and recorded by the Resulting Company, over the face value of the new equity shares allotted as per Clause 21.2 of this Scheme to the Resulting Company, shall be credited to Capital Reserve Account in the books of the Resulting Company. In case of there being a shortfall, the same shall be debited to and carried forward as Goodwill. The value of net assets transferred pursuant to demerger amounts to Rs. 27,43,61,062/- whereas the amount paid in consideration by way of issue of shares as per clause 21.2 is Rs.83,05,00,000/-. Thereby resulting into a goodwill of Rs.55,61,38,938/-.

19. TAX TREATMENT

All taxes (including tax, sales tax, excise duty, custom duty, service tax, value added tax etc.) paid or payable by the Demerged Company in respect of the operations and/or the profits of the Demerged Undertaking before the Appointed Date shall be



on account of the Demerged Company and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, value added tax, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company in respect of the profits or activities or operation of the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.

The Goodwill appearing in the books of the Resulting Company pursuant to this scheme of demerger shall be amortized as per the provisions of sections 32 of the Income Tax Act, 1961 and as per applicable Accounting Standards issued by ICAI.

20. CHANGE IN AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANY

20.1 The change in the existing Authorised Share Capital of the Resulting Company of Rs.5,00,00,000/- (Rupees Five crores) divided into 50,00,000 (Fifty lakhs) Equity Shares of Rs.10/- (Rupees Ten only) each shall be as follows in accordance with the Section 13 and Section 61 of the Companies Act, 2013 and / or any other applicable provisions, rules and regulations of the Companies Act, 2013

- a) the Authorised Share Capital of the Resulting Company of Rs.5,00,00,000/- (Rupees Five crores only) shall be increased by additional capital of Rs.83,00,00,000/- (Rupees Eighty Three Crores only) thereby making the Authorised Share Capital of the Resulting Company amounting to Rs.88,00,00,000/- (Rupees Eighty Eight crores only) divided into 8,80,00,000 (Eight Crores and Eighty Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) each.

20.2 Clause V (a) of the Memorandum of Association of the Resulting Company shall stand amended as follows:

- (a). The Authorized share capital of the Company is Rs.88,00,00,000/- (Rupees Eighty Four Crore only) divided into 8,80,00,000 (Eight Crores and Eighty Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) each.

20.3 Clause V (b) of the Articles of Association of the Resulting Company shall stand amended as follows:

- (b). The minimum paid up capital of the Company shall be Rs.5,00,000/- (Rupees Five Lakh only).

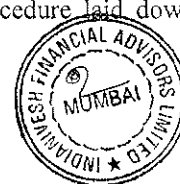
20.4 The change in the Authorised Share Capital of the Resulting Company as per clause 20 above shall come into effect on the Effective Date.

20.5 The Resulting Company shall make the requisite fillings with the Registrar of Companies for increase in authorised share capital in the manner as set out in Clause 20.2 above.

21. ISSUE OF SHARES BY THE RESULTING COMPANY



- 21.1 The provision of this Clause 21 of the Scheme shall operate notwithstanding anything contrary in this Scheme or in any other Instrument, deed or writing.
- 21.2 Upon the coming into effect of the Scheme and in consideration of the transfer & vesting of Demerged Undertaking of the Demerged Company in the Resulting Company in terms of the Scheme, the Resulting Company shall, without any further application, act, instrument or deed, issue and allot to each member of the Demerged Company, whose name is registered in the Register of Members of the Demerged Company on the Record Date or his/her/its legal heirs, executors or successors as the case may be 8,30,50,000 (Eight Crores Thirty Lakhs Fifty Thousand only) equity shares in the Resulting Company of face value Rs.10/- (Rupees Ten) each (credited as fully paid-up). The new equity shares will be issued to all the members of Demerged Company in the ratio of 10:22 (i.e) (22 (Twenty Two) equity shares of Rs.10/- each in Resulting Company for every 10 (Ten) equity shares of Re.1/- each in the Demerged Company)
- 21.3 The ratio in which equity shares of the Resulting Company are to be issued and allotted to the members of the Demerged Company is herein referred to as the **"Share Entitlement Ratio"**.
- 21.4 The shares issued to the members of the Demerged Company by the Resulting Company pursuant to Clause 21.2 above shall be issued in dematerialized form by the Resulting Company, unless otherwise notified in writing by the members of the Demerged Company to the Resulting Company on or before such date as may be determined by the Board of Directors of the Resulting Company or a committee thereof. In the event that the Resulting Company has received notice from any member that shares are to be issued in physical form then in such event the Resulting Company shall issue shares in physical form.
- 21.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any member of the Demerged Company, the Board of Directors of the Resulting Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the share in the Demerged Company and in relation to the shares issued by the Resulting Company after the effectiveness of the Scheme. The Board of Directors of the Resulting Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Resulting Company on account of difficulties faced in the transaction period.
- 21.6 Equity shares to be issued by the Resulting Company pursuant to Clause 21.2 above in respect of such of the equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the 2013, Act or otherwise shall, pending allotment or settlement of dispute by order of NCLT or otherwise, also be kept in abeyance by the Resulting Company.
- 21.7 The issue and allotment of equity shares by Resulting Company to the shareholders of Demerged Company as provided in the Scheme is the integral part thereof and shall be deemed to have been carried out as if the procedure laid down under



Sections 42 and 62 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 were duly complied with.

- 21.8 Resulting Company shall, if and to the extent required to, apply for and obtain any approvals from the concerned regulatory authorities including the Reserve Bank of India, for the issue and allotment of new equity shares by Resulting Company to the non-resident equity shareholders of Demerged Company. Resulting Company shall comply with the relevant and applicable rules and regulations including the provisions of Foreign Exchange Management Act, 1999, if any, to enable Resulting Company to issue and allot new equity shares to the non-resident equity shareholders of Demerged Company.
- 21.9 The equity shares issued and allotted by the Resulting Company in terms of this Scheme shall rank pari passu in all respects with the then existing equity shares of the Resulting Company.
- 21.10 Resulting Company shall take necessary steps to increase or alter, (if necessary), its authorized share capital suitably to enable it to issue and allot new equity shares required to be issued and allotted by it under this Scheme;
- 21.11 The approval of this Scheme by the shareholders of Companies shall be deemed to have the approval under Section 13 and Section 14 of 2013, Act and other applicable provisions of the 2013, Act and any other consents and approvals required in this regard.
- 21.12 The shares of the Demerged Company are presently listed on BSE Limited. The Resulting Company shall apply for listing of its equity shares including those issued in terms of Clause 21.2 above on BSE in terms of SEBI Circulars within 60 days from the receipt of the order of Hon'ble National Company Law Tribunal and in compliance with SEBI Circulars. The shares allotted by Resulting Company pursuant to the Scheme shall remain frozen in the depositories system till listing / trading permissions is given by the Stock Exchange.
- 21.13 There shall be no change in the shareholding pattern of the Resulting Company between the Record Date and the listing which may affect the basis on which approval is received from the Stock Exchange.

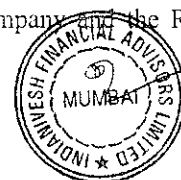


PART V

REMAINING BUSINESS OF DEMERGED COMPANY

22. REMAINING BUSINESS TO CONTINUE WITH THE DEMERGED COMPANY

- (a) The remaining business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company subject to the provisions of the Scheme.
- (b) All legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in case relating to Remaining Business (including those relating to any property, right, power, liability, obligation or duties of Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings by or against the Demerged Company in respect of the matters referred as aforesaid, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the Demerged Company shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.
- (c) With effect from the Appointed Date and upto and including the Effective Date:
 - (i) the Demerged Company shall carry on and be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;
 - (ii) all profits and income accruing or arising to the Demerged Company thereon and/or any cost, charges, losses and expenditure arising or incurred by the Demerged Company (including the effect of taxes, if any, accrued or paid in relation to any profits or income) relating to the Remaining Business shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Demerged Company; and
 - (iii) all assets and properties acquired and all liabilities incurred by the Demerged Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company;
- (d) All employees engaged in or in relation to the Remaining Business shall continue to be employed by the Demerged Company and the Resulting



Company shall not, in any case, be liable or responsible for any claims whatsoever arose in relation to such employees.

PART VI

GENERAL TERMS AND CONDITIONS

23. IMMEDIATELY UPON THE SCHEME BEING EFFECTIVE

23.1 The FPI / FII limits of 49% (forty nine percent) of the Demerged Company shall be deemed to be applicable to the Resulting Company.

23.2 To facilitate inter-company lending and investments for meeting business needs, the Board of the Resulting Company shall be deemed to have been authorized to give loans and / or give any guarantee or provide security in connection with a loan to any associate, person or body corporate (excluding exposure to wholly owned subsidiaries and joint ventures which are exempted under Section 186 (3) of the Companies Act, 2013) and / or acquire by way of subscription, purchase or otherwise, the securities of any associate, joint venture or body corporate (excluding exposure to wholly owned subsidiaries and joint ventures which are exempted under Section 186 (3) of the Companies Act, 2013) upto an aggregate amount of not exceeding Rs.200,00,00,000/- (Rupees Two Hundred Crores only), notwithstanding that the aggregate of the loans or guarantees or securities so far given or to be given and / or securities so far acquired or to be acquired by the Resulting Company may collectively exceed the limits prescribed under Section 186 of the Act;

23.3 The Board of the Resulting Company shall be deemed to have been authorized to give loans to any subsidiary companies and / or give any guarantee or provide security in connection with a loan to any subsidiary company(ies) and / or acquired by way of subscription, purchase or otherwise, the securities of any subsidiary company(ies) upto an aggregate amount not exceeding Rs.200,00,00,000/- (Rupees Two Hundred Crores only) notwithstanding that the aggregate of the loans or guarantees or securities so far given or to be given and / or securities so far acquired or to be acquired by the Resulting Company may collectively exceed the limits prescribed under Section 186 of the Act;

23.4 It is clarified that the approval to the Scheme by the shareholders of the Demerged Company and Resulting Company under Section 230 and 232 of the Companies Act, 2013 shall be deemed to have their approval under : (i) Sections 180 (1) (c), 186, 188 and any other applicable provisions under the Act; (ii) the Listing Agreement; and (iii) the FDI policy, if and to the extent applicable; and that no separate approval from the shareholders to that extent shall be required to be sought by the Parties for the matter specified in this Clause 23.

24. LISTING REGULATIONS AND SEBI COMPLIANCE

24.1 On approval of the Scheme by Hon'ble NCLT, the Resulting Company shall apply for listing and trading permissions of its shares to BSE Limited and comply with SEBI guidelines in this regard.



24.2 The Demerged Company being a listed company, shall comply with all requirements under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('Listing Regulations') and all the statutory directives of the SEBI in so far as they relate to sanction and implementation of this Scheme.

24.3 New equity shares allotted to the shareholders of the Demerged Company in the Resulting Company in terms of Clause 22.2 shall remain frozen in the depository system between the date of allotment of the equity shares of the Resulting Company to the shareholders of Demerged Company and the date of listing of the equity shares of the Resulting Company with the stock exchange and the grant of consequential listing / trading permission by the Stock Exchange.

25. APPLICATION TO NATIONAL COMPANY LAW TRIBUNAL

The Demerged Company and the Resulting Company shall make all applications/petitions under Sections 230 to 232 read with Sections 66 and 52 and 55 of the Companies Act, 2013, Act and other applicable provisions of the Act, to the National Company Law Tribunal, Bombay and Government authorities, as applicable, for sanctioning of this Scheme for carrying this Scheme into effect and obtain all approvals as may be required under law.

26. CONDITIONALITY OF THE SCHEME

(a) The Scheme is and shall be conditional upon and subject to:

- (i) the Scheme being agreed to by the requisite majorities of the various classes of members and creditors of the Demerged Company and the Resulting Company as may be required under the Act and as may be directed by NCLT;
- (ii) the Scheme has been sanctioned by NCLT or any other competent authority under Sections 230 to 232 read with Sections 66 and 52 of the Companies Act, 2013 in favour of Demerged Company and the Resulting Company and to the necessary order or orders under Section 232 of the Companies Act, 2013 being obtained and the same has being filed with the Registrar of Companies, Mumbai, Maharashtra;
- (iii) the Scheme being approved by BSE Limited under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (iv) the requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for implementation of the Scheme;
- (v) compliance with such other conditions as may be imposed by NCLT.



27. Effect of Non-Receipt of Approvals/Sanctions

In the event of the Scheme not being sanctioned by NCLT and/or the order or orders not being passed as aforesaid, the Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se by the Companies in terms of the Scheme, save and except in respect of any act or deed done prior thereto or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such event, each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

The Scheme although will come into operation from the Appointed Date, as the case may be, but shall not become effective till the date on which all necessary certified copies of orders under Sections 230 to 232 of the Companies Act, 2013 read with Sections 66 and 52 of the Companies Act, 2013 are duly filed with the Registrar of Companies at Mumbai, Maharashtra.

28. MODIFICATION OR AMENDMENT TO THE SCHEME

- (a) The Demerged Company and the Resulting Company by their respective Boards of Directors may in full and absolute discretion assent and/or consent from time to time, on behalf of all persons concerned, to any modifications or amendments or addition to the Scheme or to any conditions or limitations which NCLT and/or any other authority under law may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events and to execute all such acts, deeds, matters and things as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

All the amendments / modifications to the Scheme shall be subject to approval of the Hon'ble National Company Law Tribunal.

Without prejudice to the generality of the foregoing, the Demerged Company and the Resulting Company by their respective Boards of Directors or such person or persons, as the respective Board of Directors may authorize) shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority is unacceptable to the or as may otherwise be deemed expedient or necessary.

29. SEVERABILITY:

If any part of this Scheme is found invalid, unworkable for any reason whatsoever, ruled illegal by any court of competent jurisdiction or unenforceable under the law present or



future laws, the same shall not, subject to the decision of the Demerged Company and the Resulting Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.,

30. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges, 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) of the Demerged Company and the Resulting Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Demerged Company.

31. FILING/ AMENDMENT OF RETURNS

Both, the Demerged Company and the Resulting Company are expressly permitted to file/ revise their respective income-tax, service tax, sales tax/ value added tax, excise and other statutory returns, consequent to the Scheme becoming effective, notwithstanding that the period for filing/ revising such returns may have lapsed. The Companies are expressly permitted to amend tax deduction at source certificate and other statutory certificates, and shall have the right to claim refunds, advance tax credits, set offs and adjustments relating to their respective incomes/ transactions from the Appointed Date.



IndiaNivesh Limited
Details of Assets & Liabilities as on 30.09.2016

Nature of Assets & Liabilities	Written Down value (WDV)	Amount of Assets / Liabilities to be transferred to the Resulting Company	Amount of Assets / Liabilities remaining with the Demerged Company	Transfer Price, if transferred other than Book Value and Valuation Report thereof
Assets				
Non-current assets				
Fixed Assets				N.A.
Tangible Assets	1,734,320	0	1,734,320	N.A.
Non-Current Investment	297,569,755	297,069,755	500,000	
Current assets				
Cash and Bank Balances	4,261,277	0	4,261,277	N.A.
Short term loans and advances	28,667,096	0	28,667,096	N.A.
Other current assets	681,200	0	681,200	N.A.
Total Assets	332913647	297069755	35843892	
Liabilities				
Non Current liabilities				
Long Term Borrowings	19,931,560	19,931,560	0	N.A.
Deferred Tax Liabilities (net)	210,809	0	210,809	N.A.
Current liabilities				
Unsecured Loans	3,000,000	2,777,133	222,867	N.A.
Trade Payable*	22,272,420	★ 21,404,155	868,265	N.A.
Other current liabilities	1,177,668	0	1,177,668	N.A.
Short-Term Provisions	13,109,584	0	13,109,584	N.A.
Total Liabilities	59702041	44112848	15589193	
Net Asset	273211606	252956907	20254699	

*An amount of Rs.2,14,04,155/- receivable from the Demerged Company shall stand cancelled on the appointed date.

