

03rd May, 2024

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001.

To,
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051.

Script Code: 543527

Script Code: PRUDENT

ISIN: INE00F201020

Dear Sir/Madam,

Sub.: Intimation under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to inform you that the Scheme of Amalgamation between Prudent Corporate Advisory Services Limited being the Transferee company and Prudent Broking Services Private Limited (Wholly-Owned Subsidiary of Prudent Corporate Advisory Services Limited) being the Transferor Company, was duly approved by the Board of Directors of the Company in the Board Meeting held on 25th July, 2023.

We would like to bring to your notice that pursuant to Provision of Section 233 of the Companies Act, 2013 regarding Fast Track mode of Amalgamation we have submitted the aforesaid Scheme to Registrar of Companies (ROC), Ahmedabad, Official Liquidator, Ministry Of Corporate Affairs, Attached to High Court of Gujarat and to Income Tax department on 02nd May, 2024 for objections/suggestions/approval.

Attaching herewith the Scheme of Amalgamation of the Company for your records.

Kindly take the same on your record.

Thanking you,
Yours Faithfully,

For, Prudent Corporate Advisory Services Limited

Kunal Amrishbhai
Chauhan

Digitally signed by Kunal
Amrishbhai Chauhan
Date: 2024.05.03 20:32:51 +05'30'

Kunal Chauhan
Company Secretary
Membership Number: ACS- 60163
Tele No: 079-40209600
Email: cs@prudentcorporate.com

www.prudentcorporate.com
www.fundzbazar.com

Email: info@prudentcorporate.com
CIN: L91120GJ2003PLC042458

Registered Office:
Prudent House, Panjara Pole Cross Road,
Nr. Polytechnic, Ambavadi,
Ahmedabad - 380015. Gujarat.
Tel: +91-79-40209600

Corporate Office:
314, Hubtown Solaris, Telli Galli Junction,
N S Phadke Marg, Andheri East,
Mumbai - 400069. Maharashtra. India.
Tel: +91-22-42124600

SCHEME OF AMALGAMATION

BETWEEN

PRUDENT BROKING SERVICES PRIVATE LIMITED

(TRANSFEROR COMPANY)

AND

PRUDENT CORPORATE ADVISORY SERVICES LIMITED

(TRANSFeree COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

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

(A) PREAMBLE

This Scheme of Amalgamation (“Scheme”) is presented under the provisions of section 233 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, if any, under the fast track route for the amalgamation of Prudent Broking Services Private Limited with Prudent Corporate Advisory Services Limited. This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

(B) DESCRIPTION OF THE TRANSFEROR COMPANY:

1. Prudent Broking Services Private Limited (the “Transferor Company”) is a private company, limited by shares, incorporated under the provisions



of the Companies Act, 1956, under the corporate identity number U67120GJ1995PTC026716 and having its registered office at 401, Sears Tower, Off CG Road, Gulbai Tekra, Ambawadi, Ahmedabad – 380006, Gujarat, India.

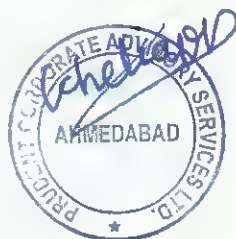
2. Transferor Company business activities:

The Transferor Company is engaged in the business of stock broking and depository business, commodity broking, research analyst and other financial / investment related services. The Transferor Company is registered as stock broker with National Stock Exchange of India Limited, BSE Limited, Metropolitan Stock Exchange of India Limited and SEBI. The Transferor Company is also registered as commodity broker with BSE Limited, National Stock Exchange of India Limited, Multi Commodity Exchange of India Limited and National Commodities and Derivatives Exchange Limited, as research analyst with SEBI and as depository participant with Central Depository Services (India) Limited.

(C) DESCRIPTION OF TRANSFEREE COMPANY:

1. Prudent Corporate Advisory Services Limited (the “**Transferee Company**”) is a listed public company, incorporated under the provisions of the Companies Act, 1956, under the corporate identity number L91120GJ2003PLC042458 and having its registered office at Prudent House, 3 Devang Park Society Panjarapole Cross Road, Ambawadi,

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Ahmedabad – 380015, Gujarat, India.

2. Transferee Company business activities:

- (i) The Transferee Company is engaged mainly in the business of distribution of mutual funds existing in India, stock broking and depository business, investment advisory and other financial / investment related services. The Transferee Company is registered as stock broker with National Stock Exchange of India Limited and Bombay Stock Exchange Limited, as depository participant with Central Depository Services (India) Limited and as investment advisor with SEBI. Further, the Transferee Company also acts as an agent/broker for real estate, bonds, deposits, debentures, loan against securities, PMS products, etc.
- (ii) To expand the scope of its current product offerings the Transferee Company has applied to Insurance Regulatory and Development Authority (IRDA) for “Corporate Agency” license to procure and solicit insurance business, to conduct branding and marketing activities of / on behalf of various life and general insurance companies.

(D) RATIONALE FOR THE SCHEME

In order to consolidate the business at one place and effectively manage the Transferor Company and Transferee Company as a single entity, which will



provide several benefits, it is intended that Transferor Company be amalgamated with the Transferee Company. The reasons and circumstances leading to and justifying the proposed Scheme of Amalgamation of the Transferor Company with the Transferee Company, which makes it beneficial for all concerned stakeholders, are as follows:

- a. The Transferor Company is the wholly owned subsidiary of the Transferee Company. Both are operating in complementary/ similar line of business and can be conveniently combined for the mutual benefits as this would increase the profitability of the Transferee Company. It will also lead to simplification of group structure by eliminating multiple companies in similar businesses;
- b. The synergy created by the amalgamation would increase operational efficiency and integrate business functions. This will provide greater integration and flexibility to the Transferee Company and strengthen its position in the industry, in terms of the customer base, revenue streams, products and service offerings;
- c. The amalgamation will lead to reduction in costs, pooling of business and strategic resources, greater cost-efficient services, enhanced support services, easy access / availment of all the services, economies of scale and the benefit of access to latest and advanced technologies;



- d. It would be advantageous to consolidate the business operations in a single entity and build strong capability to effectively meet future challenges in competitive business environment;
- e. The amalgamation will result in achieving greater financial strength and flexibility and to maximize overall shareholders' value;
- f. Elimination of multiple administrative functions, record-keeping and enhanced operational efficiencies, thus resulting in reduced statutory and regulatory compliance burden and administrative costs;
- g. The amalgamation will help in consolidating and improving the internal control systems and procedures which will bring greater management and operational efficiency due to integration of various similar functions being carried out by the entities such as human resources, finance, legal, management etc; and
- h. The amalgamation will enable unified accounting and auditing resulting in reduction of costs, time and efforts involved.

In view of the aforesaid, the Board of Directors of the Transferor Company and the Transferee Company have considered and proposed the amalgamation of the Transferor Company with the Transferee Company in order to benefit the stakeholders of both the companies. Accordingly, the Board of Directors of the Transferor Company and the Transferee Company have formulated this Scheme for the transfer and vesting of the entire Undertaking and business of



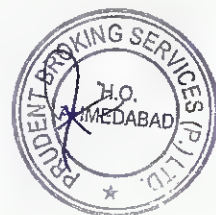
Transferor Company with the Transferee Company pursuant to the provisions of section 233 and other relevant provisions of the Act.

(E) PARTS OF THE SCHEME:

This Scheme of Amalgamation is divided into the following parts:

- (i) **PART I** deals with the introduction, definitions of the terms used in the Scheme and sets out the share capital of the Transferor Company and the Transferee Company;
- (ii) **PART II** deals with the transfer and vesting of the Undertaking of the Transferor Company with the Transferee Company;
- (iii) **PART III** deals with general terms and conditions applicable to this Scheme.

- (F)** The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with the relevant provisions of the Companies Act, 2013 and the Income Tax Act, 1961 including but not limited to section 2(1B) therein. If any terms or provisions of this Scheme is/are inconsistent with the provisions of section 2(1B) of the Income Tax Act, 1961, the provisions of section 2(1B) of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary



to comply with section 2(1B) of the Income-Tax Act, 1961; such modification to not affect other parts of the Scheme.

PART I

DEFINITIONS AND SHARE CAPITAL

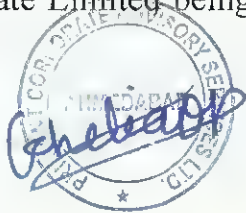
1. DEFINITIONS

- 1.0. “Act” means the Companies Act, 2013 and rules, regulations made there under and shall include any statutory modifications, re-enactments or amendments thereof from time to time;
- 1.1. “Appointed Date” means opening hours of business on 01st day of April, 2023;
- 1.2. “Board of Directors” means the board of directors of the Transferor Company or the Transferee Company, as the case may be, and shall include a duly constituted committee thereof;
- 1.3. “Effective Date” means the later of the dates on which certified copies of the orders sanctioning the Scheme of Amalgamation are filed with respective registrar of companies by the Transferor Company and the Transferee Company;
- 1.4. “Ind AS” means the Indian Accounting Standards as notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, including any amendment thereto, issued by the Ministry of Corporate Affairs and the



other accounting principles generally accepted in India and as may be amended from time to time;

- 1.5. **“KYC”** means know your customer;
- 1.6. **“KRA”** means KYC registration agency;
- 1.7. **“Official Liquidator”** or **“OL”** means Official Liquidator having jurisdiction over the Transferor Company and Transferee Company;
- 1.8. **“Regional Director”** means the Regional Director, North Western Region, Ministry of Corporate Affairs at Ahmedabad, having jurisdiction over the Transferor Company and the Transferee Company;
- 1.9. **“ROC”** means Registrar of Companies, Ahmedabad in relation to the Transferor Company and the Transferee Company;
- 1.10. **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this Scheme of Amalgamation in its present form or this scheme with any modification(s), approved or directed by the concerned authorities;
- 1.11. **“Stock Exchange”** means Bombay Stock Exchange Limited and / or National Stock Exchange of India Limited and / or Multi Commodity Exchange of India Limited and / or National Commodities and Derivatives Exchange Limited and / or Metropolitan Stock Exchange of India Limited;
- 1.12. **“SEBI”** means Securities and Exchange Board of India;
- 1.13. **“Transferor Company”** or **“PBSPL”** means Prudent Broking Services Private Limited being a private company, limited by shares, incorporated



under the provisions of the Act, under the corporate identity number U67120GJ1995PTC026716 and having its registered office at 401, Sears Tower, Off CG Road, Gulbai Tekra, Ambawadi, Ahmedabad – 380006, Gujarat, India;

1.14. “Transferee Company” or “PCASL” means Prudent Corporate Advisory Services Limited being a listed public company, incorporated under the provisions of the Act, under the corporate identity number L91120GJ2003PLC042458 and having its registered office at Prudent House, 3 Devang Park Society Panjarapole Cross Road, Ambawadi, Ahmedabad – 380015, Gujarat, India;

1.15. “Undertaking” means and includes the whole of the undertaking and entire business of the Transferor Company as a going concern on the Appointed Date. Without prejudice and limitation to the generality of the above, the Undertaking shall mean and include the following:

- a) All assets wherever situated, tangible or intangible, including all trade receivables, deposits including accrued interest, cash and cash equivalents, bank balances, margins, loans and advances together with all present and future liabilities (including contingent liabilities) of the Transferor Company;
- b) Any and all permits, rights, entitlements, allotments, approvals, consents, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, registrations, trade names, trademarks,



service marks, copyrights, domain names, easements, goodwill, licences, tenancies, offices, income tax credits, privileges and benefits of all contracts, agreements, and all other rights including lease rights, licences, powers and facilities of every kind and description whatsoever pertaining to the Transferor Company;

- c) Any and all earnest monies and/or security deposits, payment against warrants or other entitlements in connection with or relating to the Transferor Company;
- d) All permanent employees engaged by the Transferor Company as on the Effective Date; and
- e) Any and all debts, borrowings, guarantees, assurances, commitments, obligations and liabilities, whether fixed, contingent or absolute, asserted or unasserted, present or future, whether secured or unsecured, pertaining to the Transferor Company.

2. SHARE CAPITAL

2.1 The authorized, issued, subscribed and paid-up share capital of PBSPL as on 31st March, 2023 is as under:

Particulars	(in Rs.)
<u>Authorized share capital</u>	
30,00,000 equity shares of Rs.10/- each	3,00,00,000
Total	3,00,00,000



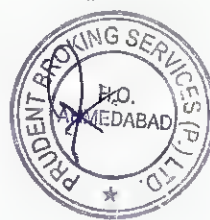
<u>Issued, subscribed and paid-up share capital</u>	
10,91,100 equity shares of Rs.10/- each	1,09,11,000
Total	1,09,11,000

Subsequent to above, there has been no change in the capital structure of the Transferor Company till the date of filing the Scheme.

2.2 The authorized, issued, subscribed and paid-up share capital of PCASL as on 31st March, 2023 is as under:

Share capital	(In Rs.)
<u>Authorized share capital</u>	
4,80,00,000 equity shares of Rs.5/- each	24,00,00,000
20,00,000 Preference Shares of Rs.5/- each	1,00,00,000
Total	25,00,00,000
<u>Issued, subscribed and paid-up share capital</u>	
4,14,06,680 equity shares of Rs.5/- each fully paid up	20,70,33,400
Total	20,70,33,400

Subsequent to above, there has been no change in the capital structure of the Transferee Company till the date of filing the Scheme.



3. DATE OF TAKING EFFECT AND OPERATIVE DATE

This Scheme set out herein in its present form or with any modifications approved or imposed or directed by the concerned authorities shall be effective from the Appointed Date but shall be operative from the Effective Date.

PART II

**TRANSFER AND VESTING OF THE UNDERTAKING OF THE
TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY**

4. TRANSFER AND VESTING OF UNDERTAKING

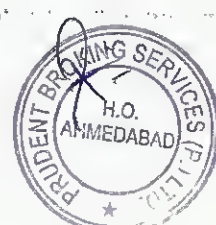
With effect from the Appointed Date and upon the Scheme becoming effective, entire business and whole of the Undertaking of the Transferor Company shall stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company, as a going concern, in accordance with section 2(1B) of the Income Tax Act, 1961 and in the following manner:

4.1 With effect from the Appointed Date, all the assets and properties of the Undertaking, shall, under the provision of section 233 and all other applicable provisions, if any, of the Act, without any further act or deed, stand transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company, so as to vest in the Transferee Company all the rights, title and interest pertaining to the Undertaking.



4.2 With effect from the Appointed Date, all the debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description (“liabilities”) of the Transferor Company shall, without any further act or deed be and stand transferred to the Transferee Company so as to become as from the Appointed Date, the liabilities of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this sub-clause. Where any liabilities of the Undertaking as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company. After the Effective Date, the Transferee Company undertakes to meet, discharge and satisfy the said liabilities to the exclusion of the Transferor Company.

4.3 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses including but not limited to SEBI, stock broking license of National Stock Exchange of India Limited, BSE Limited and Metropolitan Stock Exchange of India Limited, commodity broking licenses of Multi Commodity Exchange of India Limited and National Commodities and Derivates Exchange Limited, AMFI Registration Number (ARN), Research Analyst, E-Repository license of



National E-Repository Limited (NERL) and Commodity Receipts Information Systems (ComRis) and depository license of Central Depository Services (India) Limited, authorized person registration with exchanges, balance in client accounts and authorized persons accounts, communication facilities and equipment, lease line and other connectivity, rights and benefits of all agreements including client registration forms, KYC and KRA compliance related documents, permissions or approvals or consents held by the Transferor Company required to carry on operations shall stand transferred to or vested in the Transferee Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company. Further, the power of attorneys / demat, debit and pledge instructions in relation to the Undertaking shall also stand transferred to and vested in the Transferee Company without any further act or deed. The benefit of all statutory and regulatory permissions and consents, registration, insurance policies or other licenses and consents shall vest in and become available to the Transferee Company pursuant to the Scheme. In so far as the various incentives, subsidies, tax benefits or any other exemptions pertaining to the Undertaking, special status and other benefits or privileges enjoyed and granted by any government body, local authority or by any other person, or availed of by the Transferor Company, are



concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions.

- 4.4 The transfer and vesting of the Undertaking as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the properties and assets or any part thereof relating to the Undertaking to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Undertaking. However existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the properties and assets or any part thereof relating to the Undertaking shall also be transferred to the Transferee Company.
- 4.5 After the Scheme becoming effective, any liability statutory, financial or otherwise of the Transferor Company shall be the liability of the Transferee Company.
- 4.6 In so far as various incentives, subsidies, exemptions, special status, income tax holiday/benefit/losses and other benefits or exemptions or privileges enjoyed, granted by any government body, regulatory authority, local authority or by any other person, or availed of by the Transferor Company is concerned, the same shall, without any further act or deed, in so far as they relate to the Undertaking, vest with and be available to the Transferee Company on the same terms and conditions as if the same had



been allotted and/or granted and/or sanctioned and/or allowed to the Transferee Company.

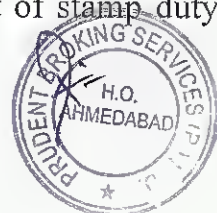
5. CONSIDERATION

5.1 The entire equity share capital of the Transferor Company is held directly by the Transferee Company and through its nominees. In other words, the Transferor Company is a wholly owned subsidiary of the Transferee Company. Accordingly, upon the Scheme coming into effect, the Transferee Company will not issue any shares in consideration for the amalgamation and the entire issued, subscribed and paid up capital of the Transferor Company shall stand cancelled.

5.2 Upon the Scheme coming into effect, the share certificates, if any, and/ or the shares representing the shares held by the Transferee Company in the Transferor Company shall be deemed to be cancelled without any further act or deed.

6. CONSOLIDATION OF AUTHORISED SHARE CAPITAL

6.1 Upon the Scheme coming into effect, the authorized share capital of the Transferor Company shall stand transferred to and be amalgamated with the authorized share capital of Transferee Company without any requirement of any further act, instrument or deed on the part of Transferee Company, including payment of stamp duty and fees payable



to the relevant Registrar of Companies. The face value of equity shares shall remain same as that of the Transferee Company after increase of the authorized share capital.

- 6.2 Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended under applicable provisions of the Act by deleting the existing clause and replacing it by the following:

“V. The Authorized Share Capital of the Company is Rs.28,00,00,000/- (Rupees Twenty Eight Crores Only) divided into 5,40,00,000 (Five Crores Forty Lakhs) Equity Shares of face value of Rs.5/- (Rupees Five Only) each and 20,00,000 (Twenty lakhs) Preference Shares of Face Value of Rs.5/- (Rupees Five Only) each.”

- 6.3 On approval of the Scheme by the members of the Transferee Company pursuant to section 233 of the Companies Act, 2013, it shall be deemed that the said members have also accorded all relevant consent under section 13, 14 and 61 and other applicable provisions of the Companies Act, 2013 as may be applicable for the purpose of amendment of the Memorandum of Association of the Transferee Company as above. It is clarified that there will be no need to pass a separate shareholders resolution as required under section 13, 14 and 61 of the Companies Act, 2013 for amendment of the Memorandum of Association of the Transferee Company



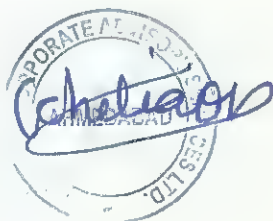
6.4 The approval of this Scheme under section 233 of the Companies Act, 2013 shall be deemed to have the approval under sections 13, 14 and 61 and other applicable provisions of the Companies Act, 2013, and any other consents and approvals required in this regard;

7. Amendment to the Object clause of the Transferee Company

7.1 Upon this Scheme becoming effective, the main object clause of the Memorandum of Association of the Transferee Company shall be amended, if required to give effect to the Scheme. If the main object clause of the Memorandum of Association of the Transferee Company is amended to give effect to the Scheme, it shall be deemed that the shareholders of the Transferee Company have also resolved and accorded to relevant consents as applicable under section 13 of the Companies Act, 2013. It is further clarified that there will be no need to pass a separate shareholders' resolution as required under section 13 of Companies Act, 2013 for the amendments of the Memorandum of Association of the Transferee Company as above.

8. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

Upon the Scheme becoming effective, the Transferee Company shall account for the merger of the Transferor Company into itself in its books as under:



Upon the effectiveness of this Scheme and with effect from the Appointed Date, the Transferee Company shall account for the amalgamation in its books in accordance with pooling of interest method for common control business combination prescribed under Appendix C to Indian Accounting Standard (Ind AS 103 “Business Combination”) prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules, 2015 and other generally accepted accounting principles followed in India, as applicable, such that;

8.1 The Transferee Company shall upon the Scheme coming into effect and with effect from the Appointed Date, record the assets, liabilities and reserves, if any, of the Transferor Company vested in it pursuant to this Scheme, at the respective carrying values thereof and on the same form as they appear in the consolidated financial statements of the Transferee Company;

8.2 Pursuant to amalgamation, the inter-company transactions and balances between the Transferor Company and the Transferee Company shall be eliminated;

8.3 The value of investments held by the Transferee Company in the Transferor Company shall stand cancelled pursuant to the amalgamation and there shall be no further right or obligation/ outstanding in that behalf;



- 8.4 In case of any difference in accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail;
- 8.5 The financial information in the financial statements in respect of prior periods would be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements of the Transferee Company.

9. EMPLOYEES

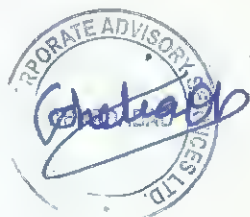
- 9.1 On the Scheme becoming effective all staff, workmen and employees, if any, of the Transferor Company, who are in service as on the Effective Date, shall become staff, workmen and employees of the Transferee Company, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favorable than those applicable to them with reference to their employment with the Transferor Company on the Effective Date.
- 9.2 The Transferee Company agrees that the services of all such employees with the Transferor Company, up to the Effective Date shall be taken into account for purposes of all retirement benefits to which they may be eligible as on the Effective Date.



9.3 The accounts/funds of the employees whose services are transferred under clause 9.1 above, relating to provident fund, gratuity and any other staff welfare fund (hereinafter referred to as the "Funds") shall be identified, determined and transferred to the respective funds of the Transferee Company and such employees shall be deemed to have become members of such funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such Funds, the Transferee Company, may, subject to necessary approvals and permissions, continue to maintain the existing funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the Funds and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such funds of the Transferee Company.

10. LEGAL, TAX AND OTHER PROCEEDINGS

10.1 On and from the Appointed Date, all suits, actions, claims and proceedings whether legal, taxation or other proceeding, whether civil or criminal or statutory or regulatory (including before any statutory or regulatory or quasi-judicial authority or tribunal or any court or any agency of state or central government) by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and / or enforced as desired by the Transferee Company and on



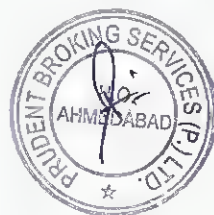
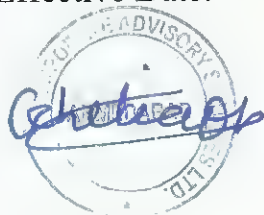
and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company. On and from the Effective Date, the Transferee Company shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings relating to the Undertaking, in the same manner and to the same extent as would or might have been initiated by the Transferor Company as the case may be, had the Scheme not be made;

10.2 If any suit, appeal or other proceedings relating to the Undertaking, of whatever nature by or against the Transferor Company be pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Undertaking or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the 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 the Transferor Company as if this Scheme had not been made.

11. CONDUCT OF BUSINESS

11.1 With effect from the Appointed Date and up to and including the

Effective Date:



11.1.1 The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for, the Transferee Company.

11.1.2 All the profits or income accruing or arising to the Transferor Company, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of the Transferee Company.

11.1.3 Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

11.2 With effect from the first of the date of filing of this Scheme with the Reginal Director / ROC and up to and including the Effective Date:



11.2.1 The Transferor Company shall preserve and carry on their business and activities with reasonable diligence and business prudence and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its group Company or any third party or sell, transfer, alienate, charge, mortgage or encumber or deal with the Undertaking or any part thereof save and except in each case in the following circumstances:

- (a) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with Regional Director / ROC; or
- (b) if the same is permitted by this Scheme; or
- (c) if consent of the Board of Directors of the Transferee Company has been obtained.

11.2.2 The Transferor Company shall not take, enter into, perform or undertake, as applicable (i) any material decision in relation to its business and operations other than decisions already taken prior to approval of the Scheme by the respective Board of Directors (ii) any agreement or transaction; and (iii) any new business, or discontinue any existing business or change the capacity of facilities.:(iv) such other matters as the Transferee Company may notify from time to time save and except in each case in the following circumstances,



- (a) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with Regional Director / ROC; or
- (b) if the same is permitted by this Scheme; or
- (c) if consent of the Board of Directors of the Transferee Company has been obtained.

12. CONTRACTS, DEEDS, ETC.

12.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, letters of intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature of the Transferor Company, which is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

12.2 The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novation, to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities



required on the part of the Transferor Company to give effect to the provisions of this Scheme.

13. SAVING OF CONCLUDED TRANSACTIONS

13.1 The transfer of the Undertaking of the Transferor Company into the Transferee Company under clause 4 above and the continuance of proceedings by or against the Transferee Company in relation to the Undertaking shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accept and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of the Transferee Company.

14. TAXES AND DUTIES

14.1 Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/or indirect, payable by or on behalf of the Transferor Company from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with the Revenue Authorities and including the right to claim credit for minimum alternate tax and carry forward of accumulated losses, shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims and accumulated losses of the Transferee Company. Accordingly, upon the Scheme becoming effective

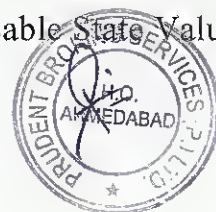


the Transferee Company is expressly permitted to revise, if it becomes necessary, its Income tax returns, Sales tax returns, Goods and Services Tax Returns, Excise & Cenvat returns.

14.2 Upon this Scheme becoming effective and from the Appointed Date, the Transferee Company is expressly permitted to revise and file their respective income tax returns and other statutory returns, including tax deducted at source returns, goods and service tax returns, service tax returns, excise tax returns, sales tax and value added tax returns, as may be required / applicable and expressly reserved the right to make such revision in their returns and to claim refunds or credits etc. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have lapsed.

14.3 In accordance with the Rules framed under the enactments relating to goods and services tax, as are prevalent on the Effective Date, the unutilized credits relating to goods and services tax lying to the credit of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the credit of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the goods and services tax payable by it.

14.4 Without prejudice to the generality of the above, all benefits including under the income tax, excise duty, applicable State Value Added Tax laws,



goods and service tax, etc., to which the Transferor Company is entitled to in terms of the applicable tax laws of the Union and State Governments, shall be available to and vest in the Transferee Company.

15. INCOME TAX COMPLIANCE

15.1 The Scheme is drawn in compliance with section 2(1B) of the Income Tax Act, 1961 pertaining to amalgamation and always should be read as in compliance of the said section. If any terms or provisions of this Scheme is/are inconsistent with the provisions of section 2(1B) of the Income Tax Act, 1961, the provisions of section 2(1B) of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with section 2(1B) of the Income-Tax Act, 1961; such modification to not affect other parts of the Scheme.

PART III

GENERAL TERMS AND CONDITIONS

16. APPLICATION TO REGIONAL DIRECTOR

16.1 The Transferor Company and the Transferee Company shall make, as applicable, the required applications under section 233 and other applicable provisions of the Act to the Regional Director of relevant jurisdiction for sanctioning of this Scheme under section 233 of the Act and for such other or further order or orders there under as the Regional



Director may deem fit for carrying the Scheme into effect.

17. DISSOLUTION OF THE TRANSFEROR COMPANY

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

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

18. CONDITIONALITY OF THE SCHEME

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

18.1 The requisite consent, approval or permission of the shareholders or the creditors, which by law may be necessary for the implementation of this Scheme as per section 233 of the Act.

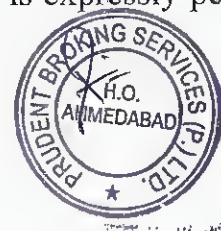


18.2 In relation to approval of creditors, separate notices shall be sent for calling the meeting of all the creditors with amount outstanding more than Rs.1,00,000 in the books of the Transferor Company and the Transferee Company as on 30th June 2023. The requisite consent of such creditors shall be deemed to be approval necessary for the implementation of this Scheme.

18.3 The sanction of the Regional Director or any other authority under section 233 of the Act for amalgamation of the Transferor Company with the Transferee Company under the said provisions and to the necessary order or orders under section 233 of the said Act being obtained and the same being filed with the registrar of companies.

19. FILING / AMENDMENT OF RETURNS, ETC.

19.1 Upon the Scheme becoming effective and from the Appointed Date, the Transferee Company is expressly permitted to file/revise/reopen their financial statements (including their balance sheet and profit and loss statement) and income tax, minimum alternate tax and other statutory returns, consequent to the Scheme becoming effective, notwithstanding that the period for filing/ revising such statements/returns may have lapsed, in order to give full effect to the Scheme, without requiring/ seeking any additional consent or approval under any applicable laws/rules and regulations. The Transferee Company is expressly permitted to amend tax



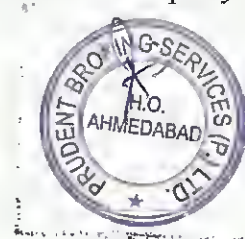
deduction at source and other statutory certificates and shall have the right to claim refunds, advance tax credits, minimum alternate tax, set offs and adjustments relating to their respective incomes/ transactions from the Appointed Date, as the case may be.

19.2 It is specifically declared that the taxes/ duties paid by the Transferor Company, as the case may be, shall be deemed to be the taxes/ duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit for such taxes deducted/ paid against its tax/ duty liabilities notwithstanding that the certificates/ challans or other documents for payment of such taxes/duties are in the name of the Transferor Company.

20. MODIFICATIONS/AMENDMENTS TO THE SCHEME

20.1 Notwithstanding anything to the contrary contained in the Scheme, the Transferor Company and the Transferee Company by their respective Board of Directors or any duly authorized board committee of both companies may make or consent to, on behalf of all persons concerned, any modifications, amendments, clarifications or confirmations to the Scheme, which they deem necessary and expedient or beneficial to the interests of the stakeholders and / or as may be approved or imposed or directed by the respective shareholders and / or creditors and / or by the Regional Director and / or any other authority.

20.2 The Transferor Company and the Transferee Company shall be at liberty



to withdraw from this Scheme, in case any condition or alteration is / are imposed by the Regional Director or any other authority or any bank or financial institution, is unacceptable to them or otherwise if so mutually agreed.

20.3 For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Transferor Company and the Transferee Company or any other duly authorized committee thereof are authorized severally to give such directions including directions for settling any question of doubt or difficulty that may arise under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including in case of issue and allotment of shares), and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in the Scheme.

21. REVOCATION AND WITHDRAWAL OF THIS SCHEME

21.1 The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel, withdraw and declare this Scheme to be of no effect at any stage, but before the Effective date, and where applicable re-file, at any stage in case (a) this Scheme is not approved by the Regional Director or if any other consents, approvals,



permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not received or delayed; (b) any condition or modification imposed by the Regional Director and / or any other authority is not acceptable; (c) the coming into effect of this Scheme in terms of the provisions hereof or filing of the drawn up order(s) with any Governmental Authority could have adverse implication on either of the Transferor Company and the Transferee Company; or (d) for any other reason whatsoever, and do all such acts, deeds and things as they may deem necessary and desirable in connection therewith and incidental thereto. On revocation, cancellation or withdrawal, this Scheme shall stand revoked, cancelled or withdrawn and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each party shall bear its own costs, unless otherwise mutually agreed.

22. FILING OF APPLICATIONS

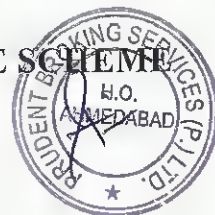


22.1 The Transferor Company and the Transferee Company shall use their best efforts to make and file all applications and petitions under section 233 and other applicable provisions of the Act, before the respective Regional Director having jurisdiction for sanction of this Scheme under the provisions of law, and shall apply for such approvals as may be required under law.

23. EFFECT OF NON RECEIPT OF APPROVALS/SANCTIONS

23.1 In the event of any approvals or conditions enumerated in the Scheme not being obtained or complied with, or the Scheme not being sanctioned by the Regional Director or such other competent authority and / or the order not being passed as aforesaid within such further period or periods as may be agreed upon between the Boards of Directors of the Transferor Company and the Transferee Company failing which this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder 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.

24. EXPENSES CONNECTED WITH THE SCHEME



24.1 All costs, charges and expenses (including any taxes and duties) incurred or payable by the Transferor Company and Transferee Company in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme, including stamp duty on the orders of Regional Director, if any and to the extent applicable and payable, shall be borne and paid by the Transferee Company.

