

SCHEME OF MERGER BY ABSORPTION

OF

**MAXIMUS SECURITIES LIMITED
(TRANSFEROR COMPANY)**

WITH

**HYBRID FINANCIAL SERVICES LIMITED
(TRANSFeree COMPANY)**

AND

THEIR RESPECTIVE SHAREHOLDERS

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

(A) **PREAMBLE**

This Scheme of Merger by Absorption (**the "Scheme"**) is presented under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) and the rules and regulations made thereunder, for Merger of Absorption of Maximus Securities Limited ("**Transferor Company**") with Hybrid Financial Services Limited ("**Transferee Company**").

(B) **DESCRIPTION OF COMPANIES**

- (i) **Maximus Securities Limited (hereinafter referred to as Transferor Company or Maximus)** is a company incorporated under the Companies Act, 1956, having Corporate Identification Number U67120MH1994PLC076758 and having its registered office at Sterling Centre, 1st Floor, Opp. Divine Child High School, Andheri-Kurla Road, Andheri (East), Mumbai-400093. The Transferor Company is the wholly-owned subsidiary of Hybrid Financial Services Limited, Transferee Company. The company is engaged in the business of Stock Broking and member with BSE Ltd and NSE Ltd and Depository Participant with National Securities and Depositories Ltd. The company is also registered with Securities Exchange Board of India as Stock Broker.

As per the Memorandum of Association of the Transferor Company, the main objects of are:

(A) THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION:

1. To carry on the business of Share and Stock brokers, Finance brokers, Dealer's and Agents In Equity Shares, Preference Shares, Stocks, Bonds, Debentures, Debenture Stocks, Government Securities Including Government Bonds, Units of any Company, 'Company Deposits, Foreign Exchange, Money market, Instruments, obligation and securities, issued or, guaranteed by or Foreign Governments, States, Dominions, Sovereigns, Municipalities, Public Authorities, Bodies Sovereign Rulers, Commissioners or Trusts and other securities of all types and kinds.

2. To carry on the business of subscribing, acquiring, holding, underwriting, investing, buying selling trading, disposing and dealing In shares, stocks, debentures, debenture stocks, government securities, Including government bon6s, units of any company, company deposits, foreign exchange, money market Instruments, obligation and securities Issued or guaranteed by Indian or foreign governments, States, Dominion, Sovereigns, Municipalities, Public Authorities, Bodies, Sovereign Rulers, Commissioners or Trusts and other securities of all types and kinds.
3. To carry on promotion business and in particular to form, constitute, float, lend money to control, negotiate loans and underwriting contracts, act as managing and issue brokers, registrar and transfer agents, registrars to the issue and underwriters, prepare project and feasibility reports for and on behalf of any companies, associations, or undertakings.
4. To undertake Depository Participant activities, functions and responsibilities and such other activities which are Incidental or ancillary to the same.

(ii) Hybrid Financial Services Limited (hereinafter referred to as Transferee Company or Hybrid Financial) (formerly known as Mafatlal Finance Company Limited) is a company incorporated under the Companies Act, 1956, having Corporate Identification Number L99999MH1986PLC041277 and having its registered office at 104, 1st Floor, Sterling Centre, Opp Divine Child High School, Andheri-Kurla Road, Andheri (East), Mumbai-400093. The equity shares of the Transferee Company are listed company on the Bombay Stock Exchange (500262) and the National Stock Exchange (HYBRIDFIN). The Company is engaged in the business of providing Financial Services;

➤ As per the Memorandum of Association of the Transferee Company, the main objects of Transferee Company are:

2. The objects for which the Company is established are:-

A. MAIN OBJECTS OF THE COMPANY (NEW OBJECT CLAUSES VIDE SPECIAL /' RESOLUTION PASSED ON 27TH NOVEMBER 2008):

1. To act as Management Consultants and provide debt recovery advise, services, consultancy in various fields, general administrative, financial, commercial, legal, economic labour, insurance, broking, public relation, scientific, technical, direct and indirect taxation and other levies, statistical, accountancy, quality control and data processing.

2. To employ experts to investigate and examine into the conditions, prospectus, values of any business, undertaking persons and generally of any assets including property or rights".

(C) OBJECTS/ RATIONALE OF THE SCHEME

The rationale for undertaking the Merger by Absorption of the Transferor Company with the Transferee Company is as follows:

- (i) simplification of group structure resulting in better clarity for external stakeholders, especially shareholders;
- (ii) consolidation of like businesses of the group to enhance value to the shareholders;
- (iii) avoidance of duplication of efforts and reduction in administrative and running costs, optimization of tax costs and efficient use of resources; and
- (iv) greater integration and flexibility for the Transferee Company and the Merger by Absorption would bring in synergies pursuant to consolidation of operations of Transferor and Transferee Company.
- (v) The Transferor Company is wholly owned subsidiary of Transferee Company and engaged in similar nature of business. In order to consolidate the similar nature of business at one place and effectively manage the Transferor company and Transferee company as a single entity, which will provide several benefits including streamlined group structure by reducing the number of legal entities, reducing the multiplicity of legal and regulatory compliances, rationalizing costs, it is intended that the Transferor company be merged with Transferee company.
- (vi) The independent operations of the Transferor company and Transferee company leads to incurrence of significant costs and merger by absorption would enable economies of scale by attaining critical mass and achieving cost saving. The

merger by absorption will thus eliminates a multi layered structure and reduce managerial overlaps, which are necessarily involved in running multiple entities and also prevent cost duplication that can erode financial efficiencies of holding structure and the resultant operations would be substantially cost efficient. This scheme would result in simplified corporate structure of the Transferee Company and its business, thereby leading to more efficient utilization of capital and creation of a consolidated base for future growth of the Transferee Company.

- (vii) In view of the above, it is considered desirable and expedient to merge the Transferor company with the Transferee Company in accordance with this Scheme, pursuant to Section 230 to 232 of the Company Act, 2013.
- (viii) The merger of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, under Sections 230 to 232 and other relevant provisions of the Company Act 2013, shall take place with effect from the Appointed Date and shall be in compliance with Section 2(1B) of the Income Tax, 1961.

In view of the aforesaid, Board of Directors of the Transferor Company and the Transferee Company have considered and proposed the Merger by Absorption of the entire undertaking of the Transferor Company with the Transferee Company. Accordingly, the Board of each of the Transferor Company and the Transferee Company have formulated this Scheme for the transfer and vesting of the entire Undertaking of each of the Transferor Company with and into the Transferee Company in accordance with Section 230 to 232 and other applicable provisions of the Act.

(D) PARTS OF THE SCHEME

This Scheme is divided into the following parts:

PART I – dealing with definitions of the terms used in this Scheme and the Share Capital of the Transferor Company and Transferee Company;

PART II – dealing, inter alia, with the transfer and vesting of the business and undertaking of the Transferor Company to and in the Transferee Company; legal provisions; staff & employees;

PART III – dealing, inter alia, consideration for the Merger of Absorption; and with the accounting treatment in the books of the Transferee Company pursuant to the coming into effect of this Scheme and ;

PART IV – dealing with the general terms and conditions applicable to this Scheme.

PART I – DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless repugnant to the context, the following expressions shall have the meaning as set out hereunder:

- 1.1 **"Act" or "the Act"** means the Companies Act, 2013 or the Companies Act, 1956 (to the extent applicable) and the rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force.
- 1.2 **"Appointed Date"** means **1st April, 2023** for the purposes of section 232(6) of the companies act, 2013 and scheme shall be effective from the aforesaid date.
- 1.3 **"Board of Directors" or "Board"** 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. The Board of the Transferor Company and the Transferee Company shall be collectively referred to as the **"Boards" or "Boards of Directors"**.
- 1.4 **"Effective Date"** means the date on which the certified / authenticated copies of the order of the National Company Law Tribunal at Mumbai sanctioning the scheme are filed with the Registrar of Companies, Maharashtra, Mumbai; any references in this scheme to “upon this scheme becoming effective” or “upon coming into effect of this scheme” or “upon the scheme coming into effect” shall be construed to be a reference to the effective date ;.
- 1.5 **“Transferor Company” or “Maximus”** means **Maximus Securities Limited**, a company incorporated under the provisions of the act and having its registered office at Sterling Centre, 1st Floor, Opp. Divine Child High School, Andheri-Kurla Road, Andheri (East), Mumbai-400093
- 1.6 **Transferee Company or Hybrid Financial** means **Hybrid Financial Services Limited** ((hereinafter referred to as **Transferee Company or Hybrid Financial**), a company incorporated under the provisions of the act and having its registered office at 104, 1st Floor, Sterling Centre, Opp Divine Child High School, Andheri-Kurla Road, Andheri (East), Mumbai-400093

- 1.7 **"Encumbrance"** means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term "encumber" or "encumbered" shall be construed accordingly.
- 1.8 **Governmental Authority** means any applicable Central, State or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction and shall include any other authority which supersedes the existing authority.
- 1.9 **"National Company Law Tribunal"** means the Mumbai Bench of National Company Law Tribunal of judicature at Mumbai in Maharashtra having jurisdiction in relation to **Maximus** and **Hybrid Financial** or such other competent authority under the provisions of Sections 230 to 232 of the Act, as the case may be.
- 1.10 **"IT Act"** means the Income-tax Act, 1961 and any other statutory modifications, amendments, restatements or re-enactments thereof, from time to time and to the extent in force. The CIT would refer to the Principal Commissioner of Income Tax, Mumbai.
- 1.11 **"SEBI"** means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992;
- 1.12 **"Registrar of Companies"** means the Registrar of Companies, Mumbai having jurisdiction over the Parties.
- 1.13 **"Stock Exchanges"** means National Stock Exchange of India Limited and BSE Limited collectively and Stock Exchange shall mean each of them individually.
- 1.14 **"Listing Regulations"** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall include any statutory modifications, re-enactment or amendment thereof and to the extent in force;
- 1.15 **"NSDL"** shall mean National Securities and Depositories Limited
- 1.16 **"CDSL"** shall mean Central Depository Services Limited
- 1.17 **"BSE"** shall mean BSE Limited
- 1.18 **"NSE"** shall mean National Stock Exchange of India Limited

- 1.19 **"Scheme" or "the Scheme" or "this Scheme" or "Scheme of Merger by Absorption"** means this Scheme of Merger by Absorption in its present form or with any modification(s) made under Clause 24 of this Scheme or any modifications approved or directed by the National Company Law Tribunal or any other Government Authority;
- 1.20 **"Undertaking"** means the whole of the undertaking and entire business of each of the Transferor Company as a going concern, including (without limitation):
- 1.1.1 all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including but not limited to, plant and machinery, equipment, buildings and structures, offices, residential and other premises, sundry debtors, furniture, fixtures, office equipment, appliances, accessories, depots, deposits, all stocks, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units), and interests in its subsidiaries, cash balances or deposits with banks, loans, advances, disbursements, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by any of the Transferor Company, financial assets, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, godowns, warehouses, licenses, fixed and other assets, trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, knowhow goodwill, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or

other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including, title, interests, other benefits (including tax benefits / tax credits), easements, privileges, liberties, mortgages, hypothecations, pledges or other security interests created in favour of the Transferor Company and advantages of whatsoever nature and wherever situated, in India or abroad, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by each of the Transferor Company or in connection with or relating to each of the Transferor Company and all other interests of whatsoever nature 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 each of the Transferor Company, whether in India or abroad;

1.1.2 all liabilities including, without being limited to, secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations of the Transferor Company, of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised;

1.1.3 all agreements, rights, contracts (including but not limited to vendor contracts), entitlements, permits, licenses, approvals, authorizations, concessions, consents, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the business activities and operations of each of the Transferor Company;

1.1.4 All employees if any on the payrolls of the Transferor Company on the closing

hours of the date immediately preceding the Effective Date.

- 1.1.5 all intellectual property rights, records, files, papers, computer programs, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the business activities and operations of each of the Transferor Company;

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 meanings ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be.

2. SHARE CAPITAL

2.1 The share capital of the Transferor Company as on March 31, 2023 is as under:

The entire equity share capital of the Transferor Company is held by the Transferee Company & its nominee and as such the Transferor Company are wholly owned subsidiaries of the Transferee Company in terms of the definition of "Subsidiary" under section 2(87) of the Company Act, 2013. As of March 31, 2023 the shareholding pattern of each of the Transferor Company is as set out below:

Sl. No.	Entity	Name of the Share Holder	Number of shares	Face value of each hare (in INR)
1	Maximus Securities Limited	Transferee Company		
		Hybrid Financial Services Limited	99.99,940	10

		Hybrid Financial Services Limited Jointly with Mr.K.Chandramouli	10	10
		Hybrid Financial Services Limited Jointly with Mr.N.R.Divate	10	10
		Hybrid Financial Services Limited Jointly with Mrs. Vinita Divate	10	10
		Hybrid Financial Services Limited Jointly with Mrs.Revathi Chandru	10	10
		Hybrid Financial Services Limited Jointly with Mrs.Megha Vazlar	10	10
		Hybrid Financial Services Limited Jointly with Mr.K.Suryanarayanan	10	10

The entire equity share capital of each the Transferor Company is held by the Transferee Company and its nominee and as such in terms of Section 2(87) of the Act, the Transferor Company are deemed to be wholly owned subsidiaries of the Transferee Company.

The Transferor Company is a wholly owned subsidiary company. The equity shares of the Transferor company are not listed on any stock exchange and is governed by rules & regulations of SEBI, Stock Exchanges, Depositories being a stock broking company.

Subsequent to March 31st 2023 there has been no change in the Authorized, Issued, Subscribed and Paid-up Capital of the Transferor Company.

2.2 The share capital of the Transferee Company as on March 31, 2023 is as under:

Particulars	Amount (in Rs.)
Authorised Capital	
7,00,00,000 equity shares of Rs. 5 each	35,00,00,000
Issued, Subscribed and Paid-up Capital	
2,94,36,275 fully paid-up equity shares of Rs. 5 each	14,71,81,375

The Transferee Company is a listed company, whose equity shares are listed on the Bombay Stock Exchange (500262) and the National Stock Exchange (HYBRIDFIN).

Subsequent to March 31st 2023 there has been no change in the Authorized, Issued, Subscribed and Paid-up Capital of the Transferor Company.

2.3 Pursuant to the Scheme, no shares of the Transferee Company will be allotted against the shares held by the Transferee Company in the Transferor Company. The investment in the shares of the Transferor Company appearing in the books of the Transferee Company shall, without any further act or deed, stand cancelled.

The Board (as defined below) of the Transferor Company and the Transferee Company are of the view that the rights and obligations of each of the equity shareholders of the Transferor Company and the Transferee Company will not be impacted in any way post sanctioning of the Scheme.

2.4 There are no proceedings/investigations pending against any of the Transferor Company or the Transferee Company under Chapter XIV of the Act

2.5 The transferor company being stock broking company, the merger if approved will

be further subjected to the approval of the Stock Exchanges, Depositories and SEBI and will be further subjected to the conditions if any imposed by them.

**PART II-MERGER BY ABSORPTION OF THE TRANSFEROR
COMPANY WITH THE TRANSFEREE COMPANY**

3. TRANSFER AND VESTING OF UNDERTAKING

3.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Undertaking(s) of the Transferor Company shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, and pursuant to the to the sanction of the scheme by the Tribunal, without any further act, deed, matter or thing, stand transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company as a going concern, so as to become the properties and liabilities of the Transferee Company in accordance with the provisions of Section 2(1B) of the IT Act.

3.2 With effect from the Appointed Date and upon the Scheme becoming effective, the Undertaking of each of the Transferor Company, as a going concern, including its business, all secured and unsecured debts, liabilities, duties and obligations and all the assets, properties, rights, titles and benefits, whether [movable or immovable],real or personal. in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, licenses, registrations, copyrights, patents, trademarks and other rights and licenses in respect thereof, applications for copyrights, patents,

trademarks, leases, licenses, tenancy rights, premise, ownership flats, hire purchase and lease arrangements, lending arrangements, joint venture agreements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all rights, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to benefits of tax relief including under the IT Act such as credit for advance tax, minimum alternate tax, taxes deducted at source etc, benefits under the Sales Tax Act, sales tax set off, benefits of any unutilized MODVAT/CENV AT/GST/Service tax credits, etc.), book loss and unabsorbed depreciation brought forward for the purpose of minimum alternate taxes, software license, domain / website etc all files, papers, records engineering and catalogues, data quotations sales / advertisement materials and former customers (price information) / suppliers (credit information) other records whether in physical, electronic form in connection/ relating to the Transferor Company and other claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, whether in India or abroad as on the Appointed Date, shall, under the provisions of Section 230 to 232 of the Act and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become as from the Appointed Date the undertaking of the Transferee Company and to vest in the Transferee Company, all the rights, title, interest or obligations of the Transferor Company therein.

- 3.3 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions, approvals, quotas or consents to carry on the respective operations and business of the Transferor Company shall stand vested in or transferred to the Transferee Company, without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, licenses, approvals and consents, sales tax, service tax, GST, excise registrations or other licenses and consents shall vest in and shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if instead of the relevant Transferor Company, the Transferee Company had been the party thereto or the beneficiary or obligee thereof pursuant to this Scheme. Insofar as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Company, as the case may be, are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions.
- 3.4 With effect from the Appointed Date, all debts, liabilities (including contingent liabilities), duties and obligations of every kind, nature and description of the relevant Transferor Company, shall be deemed to have been transferred to the Transferee Company and to the extent they are outstanding on the Effective Date shall, without any further act, deed, matter or thing , be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company, which undertakes to meet, discharge and satisfy the same.
- 3.5 Where any of the debt, liabilities (including contingent liabilities), duties and

obligations of the Transferor Company as on the Appointed Date, deemed to be transferred to the Transferee Company have been discharged by any of the Transferor Company, after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company, and all loans raised and used and all liabilities and obligations incurred by the Transferor Company after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act, deed, matter or thing shall stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company which undertakes to meet, discharge and satisfy the same.

3.6 All the assets and properties which are acquired by the Transferor Company, on or after the Appointed Date but prior to the Effective Date shall be deemed to be and shall become the assets and properties of the Transferee Company and shall under the provisions of Section 230 to 232 and all other applicable provisions if any of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme.

3.7 Upon the Scheme being sanctioned and taking effect, the Transferee Company shall be entitled to operate all bank accounts related to the Transferor Company and all cheques, drafts, pay orders, direct and indirect tax balances and/or payment advices of any kind or description issued in favour of any of the Transferor Company, either before or after the Appointed Date, or in future, may be deposited with the bank of the Transferee Company and credit of all receipts thereunder will be given in the accounts of the Transferee Company.

- 3.8 Upon the coming into effect of this Scheme, the taxation proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company, whether pending and /or arising on or before 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 instituted and/or pending and/or arising by or against the Transferee Company.
- 6.9 Inter-company loans and inter-company trade outstandings between the Transferor Company and the Transferee Company will be cancelled pursuant to the Scheme becoming effective, without any further act, instrument or deed on the part of any of the Transferor Company or the Transferee Company, and there shall be no liability in that behalf on any of the company.
- 6.10 The transfer and vesting of the Undertaking of the Transferor Company as aforesaid shall be subject to the existing securities, charges, mortgages and other Encumbrances if any, subsisting over or in respect of the property and assets or any part thereof to the extent such securities, charges, mortgages, Encumbrances are created to secure the liabilities forming part of the Transferor Company. Provided always that this Scheme shall not operate to enlarge the scope of the security for any loan, deposit or facility availed of by any of the Transferor Company, and the Transferee Company shall not be obliged to create or provide any further or additional security therefor after the Effective Date or otherwise.
- 6.11 The provisions of this Scheme as they relate to the Merger by Absorption of the Transferor Company into the Transferee Company, have been drawn up to comply with the conditions relating to "amalgamation/merger" as defined under Section 2(1B) of the IT Act. If any terms or provisions of the Scheme are found

or interpreted to be inconsistent with the provisions of the said Section of the IT Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income Tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the IT Act. Such modification will, however, not affect the other parts of the Scheme.

- 6.12 Upon completion of the scheme and the Merger by Absorption being effective the name of the amalgamated company shall stand changed to Maximus Securities Limited instead of Hybrid Financial Services Limited in line with the objectives of the amalgamated company & its principal business activity. The amalgamated company will approach Registrar of Company for the said purpose, if necessary.

7 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) and amendment(s) made pursuant to Clause 24 of the Scheme shall be taking effect from the Appointed Date but shall be operative from the date of final approval being Effective Date.

8. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 8.01 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, insurance policies, indemnities, guarantees, arrangements and other instruments of whatsoever nature to which any of the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, the Transferee

Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or there under.

8.02 The Transferee Company, at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, shall execute any documents or deeds of confirmation or other writings with any party to any contract or arrangement in relation to which any of the Transferor Company is a party in order to give formal effect to the provisions of the Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such documents, deeds or writings for and on behalf of the Transferor Company and to carry out or perform all such formalities or compliances, referred to above, on behalf of the Transferor Company.

8.03 For the avoidance of doubt and 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, clearances, authorities, powers of attorney given by, issued to or executed in favour of each of the Transferor Company shall without any further act or deed, stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall seek relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

9 STAFF, WORKMEN & EMPLOYEES

- 9.01 Upon the Scheme becoming effective, all staff, workmen and employees of the Transferor Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company, without any break or interruption in their service and on the terms and conditions of employment which are not less favourable than the terms of employment that were subsisting with reference to the relevant Transferor Company as of the Effective Date.
- 9.02 Upon the Scheme becoming effective, all other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to their employees with respect to payment of gratuity, pension benefits, provident fund and compensation, shall stand transferred and vested with the Transferee Company.
- 9.03 As of the date of filing of this Scheme, each Transferor Company shall continue making contributions to the provident fund and payment of other benefits in respect of all their employees and the Transferee Company shall, subsequent to the Effective Date, make appropriate contributions towards such benefits in respect of the employees transferred to the Transferee Company pursuant to this Scheme.
- 9.04 It is clarified that the services of all transferred employees of the Transferor Company to the Transferee Company, will be treated as having been continuous for the purpose of the employee benefits and liabilities. For the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and any other liability pertaining to the employees, the past

services of such employees with the relevant Transferor Company shall also be taken into account by the Transferee Company, who shall pay the same if and when payable.

10 LEGAL PROCEEDINGS

10.01 If any suit, appeal or other legal proceedings of whatsoever nature by or against the Transferor Company are pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the Merger by Absorption of the Transferor Company with the Transferee Company or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the 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.

10.02 The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in Sub Clause 9.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company.

11 TAXATION AND OTHER MATTERS

11.01 Any tax liabilities under the Income Tax Act, 1961, Excise Duty Laws, Service Tax Laws, GST, applicable State Value Added Tax Laws, or other applicable laws/ regulations (hereinafter in this Clause referred to as "**Tax Laws**") dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the

Accounts made as on the date immediately preceding the Appointed Date shall as applicable, be transferred to the Transferee Company.

- 11.02 All taxes (including income tax, excise duty, service tax, applicable state Value Added Tax, CGST, IGST, SGST, UTGST etc.) paid or payable by the Transferor Company in respect of the operations and/ or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, in so far as it relates to the tax payment (including without limitation income tax, excise duty, service tax, applicable state Value Added Tax , GST etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.
- 11.03 Any refund under the Tax Laws due to the Transferor Company consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 11.04 Without prejudice to the generality of the above, all benefits, incentives, losses, credits including under income tax, tax on book profits (MAT and MAT credits), fringe benefit tax, wealth tax, excise duty, service tax, applicable State Value Added Tax Laws, Goods & 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.
- 11.05 On and from the Effective Date, but with effect from the Appointed Date, the obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company under the IT Act, and any other compliances under the Tax

Laws shall be deemed to have been made and duly complied with by the Transferee Company.

11.06 Provided further that upon the Scheme becoming effective, the Transferee and Transferor Company are also permitted to revise, if it becomes necessary, its income tax returns and related TDS certificates, including TDS certificates relating to transactions between or amongst the Transferor Company or between any of the Transferor Company and the Transferee Company, and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax and carry forward any accumulated losses, etc. pursuant to the provisions of this Scheme.

12 CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

With effect from the Appointed Date and upto and including the Effective Date:

12.01 The Transferor Company shall carry on and be deemed to have been carrying on its business and activities and shall stand possessed of and hold all of the Undertaking for and on account of and for the benefit of and in trust for the Transferee Company. The Transferor Company hereby undertake to hold the said assets with utmost prudence until the Effective Date.

12.02 The Transferor Company shall carry on its business and activities with reasonable diligence, business prudence and shall not without the prior consent in writing of any of the persons authorised by the Board of Directors of the Transferee Company, (i) sell, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the assets comprising the Undertaking or any part thereof or undertake any financial commitments of any nature whatsoever, except in the ordinary course of business (ii) nor shall it undertake any new business or substantially expand its existing business.

- 12.03 All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising to or incurred or suffered by the Transferor Company, with effect from the said Appointed Date shall for all purposes and intents be treated and be deemed to be and accrue as the profits, incomes, costs, charges, expenditure or losses of the Transferee Company, as the case may be.
- 12.04 All taxes of any nature, duties, cess or any other like payments or deductions made by the Transferor Company to any Statutory Authorities such as Income Tax (including advance tax and Tax Deducted receivable and Minimum Alternate Tax (MAT) credit), Service tax (Goods and Service Tax), Customs Duty, VAT, Goods and Service tax (Goods and Service Tax), etc. or any tax deducted / collected at source relating to the period after the Appointed Date and up to the Effective Date shall be deemed to have been on account of or on behalf of or paid by the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the passing of the order in the Scheme by National Company Law Tribunal upon relevant proof and documents being provided to the said authorities to this effect.
- 12.05 The Transferor Company shall not alter its equity capital structure either by fresh issue of shares or convertible securities (on a rights basis or by way of bonus shares or otherwise) or by any decrease, reduction, reclassification, sub-division, consolidation, re-organisation or in any other manner, except by and with the consent of the Board of Directors of the Transferee Company.
- 12.06 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.

13 SAVING OF CONCLUDED TRANSACTION

The transfer and vesting of the assets, liabilities and obligations pertaining to each of the Transferor Company to the Transferee Company and the continuance of all contracts or proceedings by or against the Transferee Company shall not affect any contracts or proceedings, already concluded by the Transferor Company, on or after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds, matters and things done and/or executed by the Transferor Company in regard thereto as having been done or executed on behalf of the Transferee Company.

14 CANCELLATION OF SHARES

The entire issued, subscribed and paid up equity share capital of each of the Transferor Company are held by the Transferee Company. In other words, the Transferor Company is wholly owned subsidiary of the Transferee Company. Accordingly, it is clarified that pursuant to this merger by absorption, no shares of the Transferee Company shall be issued or allotted, or payment made in cash whatsoever in respect of the shares held by the Transferee Company in the Transferor Company. Upon the Scheme becoming effective, the entire equity share capital of each of the Transferor Company held by the Transferee Company along with the nominee shareholder shall stand cancelled and extinguished without any further act or deed by the Transferee Company.

15 NAME OF THE MERGED ENTITY

[a] Notwithstanding anything contained in any other clause in the scheme, the name of the merged entity will stand changed to Maximus Securities Limited (MSL) to reflect the principal line of business activity, subject to such approvals as may be necessary.

PART III-CONSIDERATION AND ACCOUNTING TREATMENT

16 ACCOUNTING TREATMENT

16.01 Notwithstanding anything to the contrary contained in any other clause in the Scheme, the Transferee Company shall give effect to the Merger by Absorption in its books of account in accordance with Appendix C to Ind AS 103 Business Combinations and other accounting principles prescribed under the accounting standards specified under section 133 of the Act read with the Company (Indian Accounting Standards) Rules,2015 (Ind AS) and on the date determined in accordance with Ind AS.

16.02 Upon the Scheme coming into effect, all the assets and liabilities of the Transferor Company shall be transferred to and vested in the Transferee Company and shall be recorded at the carrying values in the consolidated Financial Statements. No adjustments shall be made to the carrying amount of assets and liabilities as reflected in the books of Transferor Company, to reflect fair values or recognize any new assets or liabilities. All reserves of the Transferor Company are deemed to be carried forward and shall be recorded in the books of Transferee company in the same form in which they appeared in the books of the Transferor Company. The carrying amount of the Transferee Company of its investment in the shares of the Transferor Company, which shall stand cancelled in the terms of this scheme, and the aggregate face value of such shares shall. Subject to other provisions contained herein, be adjusted and reflected in the Capital Reserves of Transferee Company.

16.03 Further the financial statement of the Transferee Company in respect of prior period will be restated as if the Merger by Absorption had occurred from the beginning of the receding period in accordance with Appendix C to Ind AS 103 as the Merger by

Absorption is considered to be a common control transaction.

16.04 To the extent there are inter-corporate loans or balances between the Transferor Company and the Transferee company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee company for the reduction of any assets and liabilities, as the case may be.

In case of any differences in accounting policy between the Transferor Company and the Transferee Company, the accounting policies, as may be by the Board of Directors of the Transferee Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the Reserves to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

17 CONSIDERATION

17.01 Upon the Scheme coming into effect, all equity shares of the Transferor Company held by Transferee Company (either directly or through nominee) shall stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued or payment made in cash whatsoever by the Transferee Company in lieu of shares of the Transferor Company.

17.02 Upon coming into effect of this Scheme, the shares or the share certificates of the Transferor Company in relation to the shares held by the Transferee Company, as the case may be shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and be of no effect without any necessity of them being surrendered.

18 SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities and the continuance of proceeding by pr against Transferor Company as envisaged in above shall not affect any transaction or proceedings already concluded by Transferee Company on or before the Appointed Date and after the Appointed Date to the Effective Date to the end and intent that Transferor Company accepts and adopts all acts, deeds and things done and executed by Transferee Company in respect thereto as done and executed by Transferee Company in respect thereto as done and executed on behalf of itself.

19 COMBINATION OF AUTHORISED CAPITAL

19.01 Upon this Scheme becoming effective, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the authorized share capital of the Transferor Company as appearing as on the date of certified or authenticated copies of the orders of the National Company Law Tribunal sanctioning this Scheme being filed with the appropriate Registrar of Companies. The Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders of the Transferee Company to the Scheme, whether at a meeting or otherwise, shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 61, 14 of the Companies Act 2013 and other applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorized share capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorized share capital to

that extent.

19.02 It is clarified that the approval of the members of the Transferee Company to the Scheme, whether at a meeting or otherwise, shall be deemed to be their consent / approval also to the amendment of the Memorandum of Association and Articles of Association of the Transferee Company as may be required under the Act and relevant Clause of the Memorandum of Association shall stand substituted accordingly by the virtue of the approval of this Scheme.

20 DISSOLUTION OF THE TRANSFEROR COMPANY

20.01 On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up and without any further act by the parties.

20.02 On and with effect from the Effective Date, the names of the Transferor Company shall be struck off from the records of the appropriate Registrar of Companies. The Transferee Company shall make necessary filings in this regard.

20.03 Even after the Scheme becomes effective, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions in respect of the Transferor Company in the name of the Transferee Company insofar as may be necessary until the transfer and vesting of rights and obligations of the Transferor Company to the Transferee Company under this Scheme is formally effected by the parties concerned.

21 VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of this Scheme, 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 of the Transferee Company.

PART IV-GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS
SCHEME

22 APPLICATION TO NCLT, MUMBAI BENCH FOR SANCTIONING THE
SCHEME

Joint Application by Transferor Company and Transferee Company: The Transferor Company and Transferee Company shall, jointly with all reasonable dispatch, make applications/petitions under Section 230 and 232 and other applicable provisions of the said Act to the Tribunal, Mumbai Bench for sanctioning of this Scheme of Merger by Absorption and for appropriate Orders under the applicable provisions of the Act for carrying this Scheme into effect.

It is hereby clarified that submission of the Scheme to the Tribunal and to any authorities for their respective approvals is without prejudice to all rights, interest, titles and defenses that Transferor Company and Transferee Company has or may have under or pursuant to all applicable laws.

23 REQUIREMENTS OF SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)

As per Regulation 37 (6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, prior approval of Stock Exchange is not required in case of merger of Wholly-owned subsidiary (ies) with its Holding Company which is listed on stock exchange.

The Transferor Company being wholly owned subsidiary of the Transferee Company, prior approval of the Stock Exchanges where the company is listed is not required in this regard. However, this Scheme of Merger by Absorption shall be filed with the Stock Exchanges as a matter of disclosure.

24 MODIFICATIONS/ AMENDMENTS TO THE SCHEME

The Transferor Company and the Transferee Company by their respective Boards may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the Boards. The Transferee Company's Board be and is hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions 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 and to do all acts, deeds, matters and things and take all such steps as may be necessary, desirable or expedient for putting the Scheme into effect.

In the event of any of the conditions imposed by the Authority, which the Transferor Company and/or the Transferee Company may find unacceptable for

any reason, in whole or in part, then the Transferor Company and/or the Transferee Company shall be at liberty to withdraw the Scheme.

25 SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

The Scheme is conditional upon and subject to:

- 25.01 Approval of the Scheme by the requisite majority of each class of the respective members and creditors of the Transferor Company and the Transferee Company, if applicable, in terms of the applicable provisions of the Act;
- 25.02 Sanctions and orders under the provisions of Section 230 read with Section 232 of the Act being obtained by the Transferor Company and the Transferee Company from the National Company Law Tribunal;
- 25.03 The certified or authenticated copies of the orders of the National Company Law Tribunal sanctioning this Scheme being filed with the appropriate Registrar of Companies.
- 25.04 the observations & conditions if any of the Stock Exchanges, Depositories & SEBI as may be stipulated by them.
- 25.05 any other condition required to be fulfilled under applicable laws.

26 EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

- 26.01 In the event any of the approvals or sanctions not being obtained or conditions enumerated in the Scheme not being complied with, or for any other reason, the Scheme cannot be implemented, the Boards or committee empowered thereof of the Transferor Company and the Transferee Company, shall by mutual

agreement waive such conditions as they consider appropriate and which are capable of being waived, to give effect, as far as possible, to this Scheme and failing such mutual agreement, the Scheme shall become null and void and shall stand revoked, cancelled and be of no effect and each of the company shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

26.02 The Boards of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme could have adverse implications on the Transferor Company and/ or the Transferee Company.

27 BINDING EFFECT

Upon the Scheme becoming effective, the same shall be binding on the Transferor Company and the Transferee Company and all concerned parties, without any further act, deed, matter or thing.

28 COSTS, CHARGES AND EXPENSES AND STAMP DUTY

Upon the Scheme becoming effective, all costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Transferee Company.

29 RESIDUAL PROVISIONS

29.01 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between Transferee Company and the Transferor Company

and their respective Shareholders and the terms and conditions of this Scheme, the latter shall prevail.

29.02 Any error, mistake, omission, commission, which is apparent in the Scheme should be read in a manner which is appropriate to the intent and purpose of the Scheme and in line with the preamble as mentioned herein above.

29.03 If any part or provision of this Scheme is found to be invalid, unenforceable or unworkable, for any reason whatsoever, the same shall not affect the validity or implementation of the other parts and/ or provisions of the Scheme and no rights or liabilities whatsoever shall accrue to, or be incurred *inter se* by, the parties or their respective shareholders, creditors, employees or any other person with respect to such part of the Scheme which is invalid, unenforceable or unworkable.