



SCHEME OF ARRANGEMENT

UNDER SECTIONS 230 TO 232 READ WITH SECTIONS 66 AND 52 AND OTHER

APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

AMONGST

PRIMESEC INVESTMENTS LIMITED : THE TRANSFEROR COMPANY 1

AND

PRIME COMMODITIES BROKING (INDIA) : THE TRANSFEROR COMPANY 2

LIMITED

AND

PRIME SECURITIES LIMITED : THE TRANSFEREE COMPANY

AND THEIR RESPECTIVE SHAREHOLDERS



PREAMBLE

(A) PURPOSE OF THE SCHEME

1. This Scheme of Arrangement is presented *inter alia* for the Merger by way of absorption of Primesec Investments Limited (the "Transferor Company 1" or "PIL") and Prime Commodities Broking (India) Limited (the "Transferor Company 2" or "PCBIL") with and into Prime Securities Limited (the "Company" or "Transferee Company" or "PSL") and the reduction of the share capital and reorganisation of reserves of the Transferee Company in the manner set out in this Scheme, in accordance with Section 230 to 232 read with section 66 and Section 52, and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.
2. This Scheme seeks to undertake following:
 - a. Amalgamate and consolidate the business of PIL and PCBIL with that of PSL, being 100% holding Company of PIL and PCBIL;
 - b. Reduction of capital and reorganisation of reserves of PSL in the manner set out in this Scheme.

The Board of Directors of PSL, PIL and PCBIL have resolved that the Merger by way of absorption of PIL and PCBIL with and into PSL and the reduction of capital and reorganisation of reserves of PSL would be in the interests of all the stakeholders of the Transferor Companies as well as Transferee Company, as it would result in increased operational efficiencies, bring economies of scale, result in synergetic integration of businesses presently being carried on by each entity independently and give a true and fair view of books of accounts of the Transferee Company to various stakeholders.

3. As on date, PSL holds the entire share capital of PIL and PCBIL.



4. This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

(B) **DESCRIPTION OF THE COMPANIES INVOLVED IN THE SCHEME**

1. The Transferor Company 1:

Primesec Investments Limited (“Transferor Company 1” or “PIL”) was incorporated as a public limited company in the state of Maharashtra on November 15, 2007.

The Transferor Company 1 is engaged in the business activities that includes restructuring advisory services which includes refinancing of debt, advisory assignments relating to insolvencies under the IBC cases, etc.

It has its Corporate Identity Number as U67100MH2007PLC175947. The Registered Office is situated at 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021 and having PAN [AAECP4400C] and Email ID of its authorised representative is pil@primesec.com.

2. The Transferor Company 2:

Prime Commodities Broking (India) Limited (“Transferor Company 2” or “PCBIL”), was incorporated as a public limited company in the State of Maharashtra on April 24, 2006.

The Transferor Company 2 is engaged in the business of providing services auxiliary to financial intermediation, except insurance and pension funding.

It has its Corporate Identity Number as U67120MH2006PLC161313. The Registered Office is situated at 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021 and having PAN AA ECP3337N and email ID of its authorised representative is pcbil@primesec.com.



3. The Transferee Company:

Prime Securities Limited (“Company” or “Transferee Company” or “PSL”), was incorporated as a private limited company in the State of Maharashtra on March 20, 1982 as ‘Suvibha Investment Company Private Limited’. In July 1984, the Transferee Company became a deemed public company, pursuant to the provisions of section 43A of the Companies Act, 1956. The name was subsequently changed to Prime Securities Limited on November 29, 1990. Thereafter the Company became a public limited company by passing a special resolution on March 16, 1992 and obtaining a fresh Certificate of Incorporation dated February 25, 1993.

The Transferee Company is a registered Category I Merchant banker that focuses on all regulated activities including primary issuances of debt and equity, managing buy-backs and open offers, QIPs, preferential offers, etc.

It has its Corporate Identity Number as L67120MH1982PLC026724. The Registered Office is situated at 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021 and having PAN AAACP4089M and Email ID of its authorised representative is psl@primesec.com. The Transferee Company is listed on the NSE and BSE.

(C) RATIONALE FOR THE SCHEME

1. The Transferee Company owns the entire share capital in the Transferor Companies.
2. Integration of the business of the Transferee Company and the Transferor Companies can provide benefits to the shareholders / stakeholders as under:
 - i. Reduction in the management overlaps due to operation of the multiple entities and more focused leadership;
 - ii. Reduction in multiplicity of legal and regulatory compliances, reduction in overheads, including administrative, managerial and other costs amongst all;





- iii. Synergy benefits, such as, competitive edge, consolidation of businesses to combine growth opportunities to capitalize on future growth potential which would in-turn significantly help in efficient utilization of financial and operational resources; and
 - iv. Consolidation and simplification of the Group structure and reduction of administrative costs at the Group level;
3. Reduction of capital and reorganisation of reserves of the Transferee Company in the manner set out in this Scheme can provide benefits to the shareholders / stakeholders as under:
- i. Under this Scheme, if approved, the Company will represent its true and fair financial position;
 - ii. The Scheme will enable the Company to explore opportunities for the benefit of the shareholders of the Company including in the form of dividend payment per the applicable provisions of the Companies Act, 2013;
 - iii. The Scheme would not have any impact on the shareholding pattern and the capital structure of the Company;
 - iv. The Scheme will enable the Company to use the amount lying in the Capital Reserve, Securities Premium and General Reserve of the Company.
 - v. The Scheme does not involve any financial outlay / outgo and therefore, would not affect the ability or liquidity of the Company to meet its obligations / commitments in the normal course of business. Further, this Scheme would also not in any way adversely affect the ordinary operations of the Company.

The Scheme is in the interest of the shareholders, creditors, lenders and various other stakeholders of the respective companies. It is not prejudicial to the interests of shareholders, creditors, lenders and various other stakeholders of the respective companies.

(D) PARTS OF THE SCHEME

The Scheme is divided into the following parts:

- (a) PART 1 deals with the Definitions and Share Capital;



- (b) PART 2 deals with the Merger of PIL and PCBIL with and into PSL;
- (c) PART 3 deals with the reduction of capital and reorganisation of reserves of PSL; and
- (d) PART 4 deal with the General Clauses, Terms and Conditions,

(E) **TREATMENT OF THE SCHEME IN RELATION TO MERGER FOR THE PURPOSES OF INCOME TAX ACT, 1961**

The provisions of this Scheme have been drawn up to comply with the conditions relating to “Amalgamation” as defined under section 2(1B) of the Income Tax Act, 1961. If, at a later date, any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of section 2(1B) of the Income Tax Act, 1961, including as a result of an amendment of law or enactment of new legislation or any other reason whatsoever, the provisions of section 2(1B) of the Income Tax Act, 1961, or a corresponding provisions of any amended or newly enacted law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) of the Income Tax Act, 1961. Such modifications will, however, not affect the other provisions of the Scheme.





PART 1
DEFINITIONS AND SHARE CAPITAL

1.1. DEFINITIONS

In this Scheme of Arrangement (as defined hereunder), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1.1. **“Act” or “The Act”** means the Companies Act, 1956 and/or Companies Act, 2013, to the extent its provisions relevant for this Scheme are notified and ordinances, rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force;
- 1.1.2. **“Amalgamation” or “Merger”** means amalgamation/merger of PIL and PCBIL with and into PSL in accordance with provisions of Section 2(1B) of the Income Tax Act, 1961;
- 1.1.3. **“Appointed Date”** means April 1, 2020;
- 1.1.4. **“Board of Directors” or “Board”** means the Board of Directors of the Transferor Companies and / or Transferee Company, as the case may be, and shall include a duly constituted committee thereof;
- 1.1.5. **“BSE”** shall mean BSE Limited;
- 1.1.6. **“DSE” or “Designated Stock Exchange”** shall mean a Stock Exchange which is chosen by the Company in accordance with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 issued by the SEBI read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and for the purposes of the Scheme, BSE Limited is the DSE;





- 1.1.7. **“Effective Date”** means the last of the dates on which the conditions specified in Clause 4.3 are complied with. Any references in this Scheme to the date of “coming into effect of this Scheme” or “effectiveness of this Scheme” or “Scheme taking effect” shall mean the Effective Date;
- 1.1.8. **“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 "Encumbered" shall be construed accordingly;
- 1.1.9. **“General Reserve”** means the balance in general reserves of the Transferee Company as on the Appointed Date which have been built primarily through transfer of retained undistributed profits, pursuant to the provisions of the Companies Act, 1956 and the erstwhile rules notified thereunder, namely, the Companies (Transfer of Profits to Reserves) Rules, 1975 and which forms a part of the revenue reserves of the Transferee Company;
- 1.1.10. **“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;
- 1.1.11. **“NSE”** shall mean the National Stock Exchange of India Limited;
- 1.1.12. **“PCBIL”** or **“Transferor Company 2”** means Prime Commodities Broking (India) Limited having its Corporate Identity Number as U67120MH2006PLC161313, the Registered Office is situated at 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021 and having PAN – AAEC3337N and Email ID of its authorised representative is pcbil@primesec.com;
- 1.1.13. **“PIL”** or **“Transferor Company 1”** means Primesec Investments Limited having its Corporate Identity Number as U67100MH2007PLC175947. The Registered Office is situated





at 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021 and having PAN AAECP4400C and Email ID of its authorised representative is pil@primesec.com;

- 1.1.14. **“Profit and Loss Account”** means balance in profit and loss account of the Transferee Company as on the Appointed Date and includes balances in profit and loss account of the Transferor Companies which shall be recorded in the books of Transferee Company upon coming into effect of Part 2 of this Scheme;
- 1.1.15. **“PSL”** or **“Transferee Company”** or **“Company”** means Prime Securities Limited having its Corporate Identity Number as L67120MH1982PLC026724, the Registered Office is situated at 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021 and having PAN – AAACP4089M and Email ID of its authorised representative is psl@primesec.com;
- 1.1.16. **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this Scheme of Arrangement as amended or modified in its present form as submitted to the National Company Law Tribunal at Mumbai Bench or this Scheme with such modification(s), if any made, as per Clause 4.2 of the Scheme;
- 1.1.17. **“SEBI”** means Securities and Exchange Board of India;
- 1.1.18. **“Securities Premium”** means the securities premium account maintained by Transferee Company in accordance with the provisions of Section 52 of the Companies Act, 2013 and includes balances in securities premium account of Transferor Company 1 which shall be recorded in the books of Transferee Company upon coming into effect of Part 2 of this Scheme;
- 1.1.19. **“Stock Exchanges”** means BSE Limited and National Stock Exchange of India Limited;





- 1.1.20. **“Taxation” or “Tax” or “Taxes”** means all forms of taxes and statutory, governmental, state, provincial, local government or municipal impositions, duties, contribution and levies and whether levied by reference to income, profit, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax, minimum alternate tax credit or otherwise or attributable directly or primarily to Transferor Companies and Transferee Company, as the case may be or any other person and all penalties, charges, costs and interest relating thereto;
- 1.1.21. **“Tax Laws”** means all the applicable laws, acts, rules and regulations dealing with Taxes including but not limited to the any tax liability under the Income-tax Act, 1961, Customs Act 1962, Central Excise Act, 1944, Goods and Services Tax Act, 2017, State Value Added Tax laws, Central Sales Tax Act, 1956 or other applicable laws/ regulations dealing with taxes/ duties/ levies of similar nature;
- 1.1.22. **“Transferor Companies”** means Transferor Company 1 and Transferor Company 2 collectively;
- 1.1.23. **“Transition Period”** means period starting from the date immediately after the Appointed Date till the Effective Date;
- 1.1.24. **“Tribunal” or “NCLT”** means the National Company Law Tribunal, Mumbai Bench;

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.



1.2. SHARE CAPITAL

1.2.1. The authorized, issued, subscribed and paid-up share capital of PIL as on December 31, 2019 is as under:

Share Capital	Amount (in Rupees)
Authorized Share Capital	
20,00,000 Equity Shares of INR 10/- each	2,00,00,000
Total	2,00,00,000
Issued, subscribed and paid-up Share Capital	
16,36,000 Equity Shares of INR 10/- each	1,63,60,000
Total	1,63,60,000

Subsequent to December 31, 2019, and till the date of the Scheme being approved by the Board of Directors of PIL, there has been no change in the authorized, issued, subscribed and paid-up share capital of PIL. The entire share capital of PIL is held by PSL.

1.2.2. The authorized, issued, subscribed and paid-up share capital of the PCBIL as on December 31, 2019 is as under:

Share Capital	Amount (in Rupees)
Authorized Share Capital	
20,00,000 Equity Shares of INR 10/- each	2,00,00,000
Total	2,00,00,000
Issued, subscribed and paid-up Share Capital	
5,00,000 Equity Shares of INR 10/- each	50,00,000
Total	50,00,000

Subsequent to December 31, 2019, there has been no change in the authorized, issued, subscribed and paid-up share capital of PCBIL. The entire share capital of PCBIL is held by PSL.



1.2.3. The authorized, issued, subscribed and paid-up share capital of PSL as on December 31, 2019 is as under:

Share Capital	Amount (in Rupees)
Authorized Share Capital	
3,50,00,000 Equity Shares of INR 5/- each	17,50,00,000
18,00,000 Unclassified shares of INR 100/- each	18,00,00,000
TOTAL	35,50,00,000
Issued Share Capital	
2,72,64,525 Equity Shares of INR 5/- each	13,63,22,625
Subscribed and fully paid-up Share Capital	
2,65,15,325 Equity Shares of INR 5/- each	13,25,76,625
Add: Share Forfeiture Account	
7,48,600 Equity Shares of INR 5/- each	4,17,250
TOTAL	13,29,93,875

Subsequent to December 31, 2019, and till the date of the Scheme being approved by the Board of Directors of PSL, there has been no change in the authorized, issued, subscribed and paid-up share capital of PSL.

1.3. DATE OF TAKING EFFECT AND OPERATIVE DATE

1.3.1. The Scheme shall be effective in its present form or with any modification(s) approved or imposed or directed by the NCLT or any other appropriate authority and shall become effective from the Appointed Date as defined in Section 232(6) of the Act in terms of Clauses 1.1.3 and 1.1.7 mentioned above.

1.3.2. Any references in the Scheme to 'upon the Scheme becoming effective' or 'effectiveness of the Scheme' or 'upon coming into effect of this Scheme' shall mean the Effective Date.



PART 2

AMALGAMATION AND VESTING OF PRIMESEC INVESTMENTS LIMITED AND PRIME COMMODITIES BROKING (INDIA) LIMITED WITH AND INTO PRIME SECURITIES LIMITED

2.1 AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES OF TRANSFEROR COMPANIES WITH THE TRANSFEREE COMPANY

2.1.1 With effect from the Appointed Date and upon the Scheme becoming effective, Transferor Companies, along with all the assets, liabilities, contracts, employees, licences, records, approvals, etc. being integral parts of the Transferor Companies shall, without any further act, instrument or deed, stand amalgamated with and be vested in or be deemed to have been vested in the Transferee Company on a going concern basis so as to become as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

2.1.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:

- a) All the properties and assets of Transferor Companies, tangible or intangible, balance in bank, cash or investments (including but not limited to investment in subsidiaries, if any) and other assets of whatsoever nature and tax credits including under GST law, quotas, rights, consents, entitlements, licenses, certificates, permits, tenancy rights, and facilities of every kind and description whatsoever for all intents and purposes, permissions under any Tax Laws, incentives, if any, without any further act or deed so as to become the business, properties and assets of the Transferee Company.
- b) All the movable assets of Transferor Companies or assets otherwise capable of transfer by manual delivery or by endorsement and delivery, including cash in hand,



shall be physically handed over by manual delivery or by endorsement and delivery, to the Transferee Company to the end and intent that the property therein passes to the Transferee Company on such manual delivery or endorsement and delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company accordingly.

- c) All other movable properties of the Transferor Companies, including investments in shares of the subsidiaries of the Transferor Companies, whether in India or outside India, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, pursuant to the orders of this Scheme becoming effective and by operation of law become the properties of the Transferee Company, and the title thereof together with all rights, interests or obligations therein shall be deemed to have been mutated and recorded as that of the Transferee company. All investments of the Transferor Companies shall be recorded in the name of the Transferee Company by operation of law as transmission in favour of the Transferee Company as a successor in interest and any documents of title in the name of the Transferor Companies shall also be deemed to have been mutated and recorded in the name of the Transferee Company to the same extent and manner as originally held by the Transferor Companies and enabling the ownership, right, title and interest therein as if the Transferee Company was originally the Transferor Companies. The Transferee Company shall subsequent to this Scheme becoming effective be entitled to the delivery and possession of all documents of title of such movable property in this regard;
- d) All the consents, permissions, licenses, certificates, insurance covers, clearances, authorities, power of attorneys given by, issued to or executed in favour of the





Transferor Companies, shall stand vested in or transferred automatically to the Transferee Company without any further act or deed and shall be appropriately mutated by the authorities concerned therewith in favour of the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company and 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 benefit of all statutory and regulatory permissions including the statutory or other licenses, Tax registrations, permits, permissions or approvals or consents required to carry on the operations of the Transferor Companies shall automatically and without any other order to this effect, vest into and become available to the Transferee Company pursuant to this Scheme becoming effective in accordance with the terms thereof.

- e) All debts, liabilities, contingent liabilities, duties, Taxes (including any advance taxes paid, MAT credit, TDS deducted on behalf of the Transferor Companies, etc.), GST liabilities, and obligations of the Transferor Companies, as on the Appointed Date, whether provided for or not, in the books of accounts of the Transferor Companies, and all other liabilities which may accrue or arise after the Appointed Date but which relates to the Transition Period, shall, pursuant to this Scheme becoming effective as per the order of the NCLT or such other competent authority, as may be applicable under Section 232 and other applicable provisions of the Act, and without any further act or deed, be vested or deemed to be vested in and be assumed by the Transferee Company, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, Taxes, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies.
- f) The Transferee Company, may, at any time after this Scheme coming into effect, if required under law or otherwise, execute deeds of confirmation in favour of any other



party with which the Transferor Companies has a contract or arrangement, or give any such writing or do any such things, as may be necessary, to give effect to the above.

- g) In so far as loans and borrowings of the Transferor Companies pertaining to the loans and liabilities, which are to be vested to the Transferee Company shall, without any further act or deed, become loans and borrowings of the Transferee Company, and all rights, powers, duties and obligations in relation thereto shall be and stand vested in and shall be exercised by or against the Transferee Company as if it had entered into such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities upon the Scheme becoming effective shall be that of the Transferee Company. However, without prejudice to such vesting of liability amount, where considered necessary for the sake of convenience and towards facilitating single point creditor discharge, the Transferee Company may discharge such liability (including accretions thereto) by making payments on the respective due dates to the Transferor Companies, which in turn shall make payments to the respective creditors.
- h) The vesting of the assets comprised in Transferor Companies to the Transferee Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.
- i. The existing securities, mortgages, charges, encumbrances or liens or those, if any, created by the Transferor Companies after the Appointed Date and during the Transition Period, in terms of this Scheme, over the assets comprised in the Transferor Companies, or any part thereof, shall be vested in the Transferee Company by virtue of this Scheme, and the same shall, after the Transition Period, continue to relate and attach to such assets or any part thereof to which they relate or attached prior to the Transition Period and are vested with the Transferee Company, and such Encumbrances shall not relate or attach to any of the other assets, of the Transferor Companies.



- ii. In so far as the existing Encumbrances, if any, in respect of the loans, borrowings, debts, liabilities, is concerned, such Encumbrance shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Transferor Companies which have been Encumbered in respect of the transferred liabilities as transferred to the Transferee Company pursuant to this Scheme. Provided that if any of the assets comprised in Transferor Companies which are being transferred to the Transferee Company pursuant to this Scheme have not been Encumbered in respect of the transferred liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.
- iii. In so far as the existing security in respect of the loans or borrowings of the Transferor Companies and other liabilities relating to the Transferor Companies are concerned, such security shall, without any further act, instrument or deed be continued with the Transferor Companies. The Transferor Companies and the Transferee Company shall file necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- iv. The foregoing provisions insofar as they relate to the vesting of liabilities with the Transferee Company shall operate, notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security documents, all of which instruments shall stand modified and/or superseded by the foregoing provisions.
- i) With effect from the Appointed Date and during the Transition Period, subject to the other provisions of the Scheme, all approvals, quotas, rights, consents, entitlements,



licenses, certificates, permits, and facilities of every kind and description whatsoever, privileges, deeds, bonds, quality certifications and approvals, powers of attorneys, agreements and other instruments of whatsoever nature in relation to Transferor Companies, as the case may be, is a party, or the benefit to which the Transferor Companies may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company and may be enforced fully and effectively as if instead of the Transferor Companies, the Transferee Company had been a party or beneficiary thereto so as to continuation of operations of the Transferor Companies by the Transferee Company without any hindrance or disruption after the Transition Period. The Transferee Company shall enter into and/or issue and/or execute deeds, writings, endorsements or confirmation or enter into any tripartite agreement, confirmations or novation's to which Transferor Companies will, if necessary, also be a party, in order to give formal effect to the provisions of this Scheme, if so required or if it becomes necessary. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings, endorsements or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme.

- j) With effect from the Appointed Date and upon the Scheme becoming effective, the entitlement to various benefits under incentive schemes and policies, if any, in relation to Transferor Companies shall stand vested in and/or be deemed to have been vested in the Transferee Company together with all benefits and entitlements of any nature whatsoever. Such entitlements shall include Taxes benefits under the Tax Laws in the nature of exemption, deferment, refunds and incentives in relation to Transferor Companies to be claimed by the Transferee Company with effect from the Appointed Date as if the Transferee Company were originally entitled to all such benefits under such scheme and/or policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits and entitlements



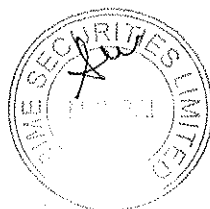
under such incentive schemes were made available to the Transferor Companies. The Transferee Company shall be entitled to such benefits in its name, without any additional liabilities or expenses whatsoever.

- k) Taxes as per the Tax Laws of the Transferor Companies to the extent not provided for or covered by the Tax provision in the accounts made as on the date immediately preceding the Appointed Date related to Transferor Companies shall be vested with the Transferee Company.
- l) All Taxes paid or payable by the Transferor Companies in respect of the operations and/ or the profits of Transferor Companies before the Appointed Date shall be on account of the Transferor Companies and in so far as it relates to the Tax payment whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operations of Transferor Companies after 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.
- m) On and from the Appointed Date, if any Certificate for Tax Deducted at Source or any other tax credit certificate relating to Transferor Companies is received in the name of the Transferor Companies, it shall be deemed to have been received by the Transferee Company, which alone shall be entitled to claim credit for such tax deducted or paid.
- n) Upon the Scheme becoming effective, Transferor Companies shall have right to revise their respective returns filed under Tax Laws. along with prescribed forms, filings and annexures under the Tax Laws and claim refunds and / or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme;



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- o) On and from the Appointed Date, the benefit of all balances relating to Taxes under the Tax Laws being balances pertaining to the Transferor Companies, if any, shall stand vested in the Transferee Company as if the transaction giving rise to the said balance or credit was a transaction carried out by the Transferee Company. The liabilities of Transferor Companies as on the Appointed Date shall stand vested in the Transferee Company, save as otherwise in respect of the liabilities which were met by the Transferor Companies during the Transition Period, which shall be construed to have been met by the Transferee Company as if the transaction giving rise to the said liability was a transaction carried out by the Transferee Company.
- p) Upon the coming into effect of the Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferor Companies, to which the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible, and which are subsisting or have effect before the Appointed Date and during the Transition Period, shall continue in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder. All liabilities arising from all such contracts, deeds, bonds, agreements, Schemes, arrangements and other instruments of whatsoever nature in relation to the Transferor Companies, to which the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible, and which are subsisting or have effect immediately before the Appointed Date, shall be on account of the Transferor Companies and after the Appointed Date, the same shall be on account of the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- q) On and from the Effective Date, and till such time that the name of the bank accounts of the Transferor Companies has been replaced with that of the Transferee Company,





Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Companies in the name of the Transferor Companies and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Transferor Companies after the Effective Date shall be accepted by the bankers of Transferee Company and credited to the account of Transferee Company, is presented by the Transferee Company;

- r) It is hereby clarified that the vesting of Transferor Companies in the Transferee Company shall be on a going concern basis.

2.2 STAFF & EMPLOYEES

2.2.1 Upon the Scheme coming into effect, all staff and employees of the Transferor Companies in service (including but not limited to permanent, temporary or contractual, if any) immediately preceding the Effective Date shall be deemed to have become staff and employees of the Transferee Company with effect from the Appointed Date, 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 in the Transferor Companies immediately preceding the transfer.

2.2.2 The equitable interest in accounts/funds of the employees and staff, if any, whose services are vested with the Transferee Company, relating to superannuation, provident fund and gratuity fund, if any, shall be identified, determined and vested with the respective trusts/funds of the Transferee Company and such employees shall be deemed to have become members of such trusts/funds of Transferee Company. Until such time, the Transferor Companies may, subject to necessary approvals and permissions, if any, continue to make contributions pertaining to the employees of the Transferor Companies to the relevant funds of the Transferor Companies.



2.2.3 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, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Transferor Companies to which any of the Transferor Companies 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 authorized to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances, referred to above, on behalf of the Transferor Companies.

2.3 LEGAL PROCEEDINGS

2.3.1 If any suit, appeal or other legal proceedings of whatsoever nature by or against the Transferor Companies is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the Amalgamation and by anything contained in this Scheme, but the said suit, appeal or other legal 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 Companies as if this Scheme had not been made. In the event that the legal proceedings referred to herein require the Transferor Companies and the Transferee Company to be jointly treated as parties thereto, Transferee Company shall be added as party to such proceedings and shall prosecute and defend such proceedings in co-operation with the Transferor Companies.

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





2.3.3 After the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the Transferor Companies.

2.4 AMALGAMATION NOT TO AFFECT TRANSACTIONS / CONTRACTS OF TRANSFEROR COMPANIES:

2.4.1 The Amalgamation of Transferor Companies and the continuance of the said proceedings by or against the Transferee Company shall not affect any transaction or proceedings already concluded by or against the Transferor Companies after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done or executed by the Transferor Companies after the Appointed Date as done and executed on its behalf. The said transfer and vesting pursuant to Section 232 of the Act, shall take effect from the Appointed Date unless the NCLT otherwise directs.

2.5 CONSIDERATION

2.5.1 The entire share capital of the Transferor Companies is held by the Transferee Company. In other words, the Transferor Companies are wholly owned subsidiary Companies of the Transferee Company. Accordingly, pursuant to this Scheme, no shares of the Transferee Company shall be issued and allotted in respect of shares held by it in the Transferor Companies. Upon the Scheme becoming effective, the entire share capital of the Transferor Companies shall be cancelled and extinguished without any further act, deed or instruments as an integral part of this Scheme.

2.5.2 The investment in the shares of the Transferor Companies appearing in the books of account of the Transferee Company shall, without any further act, deed or instrument, stand cancelled.

2.6 ACCOUNTING TREATMENT





Upon the Scheme becoming effective, Amalgamation of the Transferor Companies with the Transferee Company shall be accounted in the books of the Transferee Company as per “Pooling of Interests Method” as set out in Appendix C of Ind-AS 103 (Business Combinations of entities under common control) and any other applicable Indian Accounting Standard prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as under:

- 2.6.1 All the assets and liabilities in the books of Transferor Companies shall stand transferred to and vested in the Transferee Company pursuant to the Scheme shall be recorded by the Transferee Company at their carrying amounts as appearing in the books of the Transferor Companies;
- 2.6.2 The identity of the reserves pertaining to the Transferor Companies, shall be preserved and recorded in the merged books of accounts of Transferee Company in the same form in which they appeared in the books of the Transferor Companies and it shall be aggregated with the corresponding balance appearing in the books of Transferee Company;
- 2.6.3 The carrying amount of investments in the equity shares of the Transferor Companies as appearing in the books of the Transferee Company shall stand cancelled and there shall be no further obligation in that behalf;
- 2.6.4 The surplus / deficit of the value of assets over liabilities and reserves of the Transferor Companies vested with and recorded by the Transferee Company (as mentioned in Clause 2.6.1 and 2.6.2 above) shall be transferred to the Capital Reserve and presented separately from other Capital Reserve in the books of the Transferee Company.
- 2.6.5 Inter-company transactions and balances including loans, advances, receivable or payable including any interest thereon, inter-se between the Transferor Companies and the Transferee Company as appearing in their books of account, as the case may be, shall stand cancelled.





- 2.6.6 In case of any difference in the accounting policy between the Transferor Company and the Transferee Company, the impact of the same will be quantified and adjusted in the books of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 2.6.7 Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of Amalgamation, as stated above, as if the Amalgamation had occurred from the beginning of the comparative period.

2.7 COMBINATION OF AUTHORISED SHARE CAPITAL

- 2.7.1 Upon Scheme becoming effective, current authorized share capital of PIL which is INR 2,00,00,000/- (Rupees Two Crores Only) comprising of 20,00,000 Equity Shares of INR 10/- each, current authorized share capital of PCBIL which is INR 2,00,00,000/- (Rupees Two Crores Only) comprising of 20,00,000 equity shares of INR 10 each shall be consolidated with the authorized share capital of PSL, which is INR 35,50,00,000/- (Rupees Thirty Five Crores Fifty Lakhs Only) comprising of 3,50,00,000 Equity Shares of INR 5/- each amounting to INR 17,50,00,000 (Rupees Seventeen Crores Fifty Lakhs Only) and 18,00,000 unclassified shares of INR 100 each amounting to INR 18,00,00,000/- (Rupees Eighteen Crores Only) and the same shall automatically stand increased, without any further act, instrument or deed on the part of PSL including payment of stamp duty and fees payable to Registrar of Companies, without any compliances in respect of the notices, meetings, etc. but only by filing requisite statutory forms and/or any other documents as required with the Registrar of Companies. The filing fee and stamp duty already paid by PIL and PCBIL respectively on its authorized share capital shall be deemed to have been so paid by PSL on the combined authorized share capital and accordingly, PSL shall not be required to pay any fee/stamp duty on the authorized share capital so increased.



2.7.2 Authorized share capital of PSL upon the Scheme coming into effect shall be INR 39,50,00,000/- (Rupees Thirty Nine Crores Fifty Lakhs Only) classified as 4,30,00,000 equity shares of INR 5/- each amounting to INR 21,50,00,000 (Rupees Twenty One Crores and Fifty Lakhs Only) and 18,00,000 unclassified shares of INR 100/- each amounting to INR 18,00,00,000/- (Rupees Eighteen Crores Only).

2.7.3 Consequently, the corresponding capital clause in the Memorandum of Association / Articles of Association of PSL, as applicable (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, to be read as follows:

“The Authorized Share Capital of the Company is INR 39,50,00,000/- (Rupees Thirty Nine Crores Fifty Lakhs Only) comprising of 4,30,00,000 (Four Crores Thirty Lakhs) Equity Shares of INR/- 5 each amounting to INR 21,50,00,000 (Rupees Twenty One Crores and Fifty Lakhs Only) and 18,00,000 (Eighteen Lakhs) Unclassified Shares of INR 100/- each amounting to INR 18,00,00,000 /- (Rupees Eighteen Crores Only), each, with power to increase and reduce the Capital of the Company and to divide the shares in the Capital for the time being into several classes and attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or condition in such manner as may be permitted by the Articles of Association of the Company for the time being.”

2.7.4 For removal of doubts, it is clarified that the approval of the Scheme by the shareholders of PSL under sections 230 to 232 of the Act shall be deemed to be the sufficient approval under sections 13, 14, 61 and 64 of the Act and no separate procedure shall be followed under the Act, except filing of requisite forms to give effect to the increase.

2.8 CONDUCT OF BUSINESS

Prime Securities Limited
1109 / 1110, Maker Chambers V,
Nariman Point, Mumbai 400 021.
CIN: L67120MH1982PLC026724
Website: www.primesec.com



Tel : +91-22-6184 2525
Fax: +91-22-2497 0777

2.8.1 Transferor Companies as Trustee

- a. With effect from the Appointed Date and up to and including Effective Date, the Transferor Companies shall carry on and shall be deemed to have carried on all their business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Transferor Companies on account of and for the benefit of and in trust for, the Transferee Company, as the Transferee company is taking over the business as going concern. The Transferor Companies shall preserve and carry on their business and activities with reasonable diligence and business prudence and shall neither 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 themselves or on behalf of any third parties, sell, transfer, alienate, charge, mortgage or encumber or deal with the assets of the Transferor Companies or any part thereof save and except in the ordinary course of business as carried on by them as on the date of filing of this Scheme with the NCLT or if written consent of the Transferee Company has been obtained.

2.8.2 Profit or Losses up to Effective Date

- a. With effect from the Appointed Date and upto and including the Effective Date, all profits or incomes accruing or arising to the Transferor Companies or all expenditure or losses incurred or arising, as the case may be, by the Transferor Companies shall, for all purposes, be treated and deemed to be and accrue as the profits or incomes or expenditures or losses, as the case may be, of the Transferee Company.

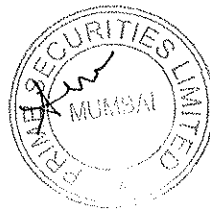


2.8.3 Taxes

- a. All Taxes paid or payable by the Transferor Companies in respect of the operations and / or profits of the business before the Appointed Date and from the Appointed Date till the Effective Date, shall be on account of the Transferor Companies and in so far as it relates to the Tax payment by the Transferor Companies in respect of the profits or activities or operation of the business after 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.
- b. Any refund under any Tax Laws dealing with Taxes allocable or related to the business of the Transferor Companies and due to the Transferor Companies consequent to the assessment made on the Transferor Companies shall also belong to and be received by the Transferee Company.
- c. All Tax benefits of any nature, duties, cesses or any other like payments or deductions available to Transferor Companies under the Tax Laws or any Tax deduction/Collections at Source, MAT credit, Tax credits, benefits of CENVAT credits, GST Input Tax credits, benefits of input credits up to the Effective Date shall be deemed to have been on account 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 Transferee company upon the passing of the order by the NCLT.

2.9 ENFORCEMENT OF CONTRACTS, DEEDS, BONDS & OTHER INSTRUMENTS:

- 2.9.1 Subject to other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which the Transferor Companies is a party subsisting or having effect immediately before the Amalgamation, shall remain in full force and effect against or, as the case may be, in favour of the Transferee Company and may be



enforced as fully and effectively as if instead of the Transferor Companies, the Transferee Company was a party thereto. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that Amalgamation and vesting of the Transferor Companies occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds, confirmations or other writings or arrangements to which the Transferor Companies is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Companies to be carried out or performed.

2.9.2 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 the Transferor Companies shall stand transferred to the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall receive relevant approvals from the Government Authorities concerned as may be necessary in this behalf.

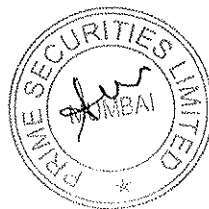
2.10 MATTERS RELATING TO SHARE CERTIFICATES:

2.10.1 The share certificates held by the shareholders of the Transferor Companies viz. Transferee Company and all the nominee shareholders holding shares of Transferor Companies on behalf of the Transferee Company, shall automatically stand cancelled without any necessity of them being surrendered to the Transferee Company.



2.11 DISSOLUTION OF THE TRANSFEROR COMPANIES

2.11.1 Upon the Scheme being sanctioned by an order made by the NCLT under Sections 230 to 232 of the Act and subject to the Effective Date, the Transferor Companies shall stand dissolved without winding up on the Effective Date.



PART 3

REDUCTION OF CAPITAL AND REORGANISATION OF RESERVES OF PRIME SECURITIES LIMITED

3.1 UTILIZATION OF CAPITAL RESERVE, CAPITAL REDEMPTION RESERVE, SHARE FORFEITURE ACCOUNT AND SECURITIES PREMIUM

3.1.1 Upon the Scheme becoming effective, the Transferee Company shall write off the debit balance in Profit and Loss Account (after giving effect to Clause 2.6.2 of this Scheme) in the books of the Transferee Company as on the Appointed Date, against the following in the order of preference:

- i. Capital Reserve;
- ii. Capital Redemption Reserve;
- iii. Share Forfeiture Account; and
- iv. Balance (if any) against Securities Premium.

3.1.2 The utilization of the Capital Reserve, Capital Redemption Reserve, Share Forfeiture Account, and Securities Premium as aforesaid shall be effected as an integral part of the Scheme and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under section 66 read with section 52 and other applicable provisions of the Act and no separate sanction under section 66 read with section 52 and other applicable provisions of the Act will be necessary.

3.2 RECLASSIFICATION OF GENERAL RESERVE

3.2.1 As on the date of Board Meeting, the Transferee Company has General Reserve balance of INR 24,00,00,000/- (Rupees Twenty Four Crores Only) which have been built primarily through transfer of retained undistributed profits, pursuant to the provisions of the Companies





Act, 1956 and the erstwhile rules notified thereunder and such General Reserve forms a part of the revenue reserves of the Transferee Company.

3.2.2 Upon the Scheme becoming effective, the entire amount standing to the credit of the General Reserve Account of the Company as on the Appointed Date shall be reclassified and credited to the Profit and Loss Account of the Transferee Company.

3.2.3 The amount credited to the Profit and Loss Account pursuant to Clause 3.2.2 above shall be reclassified as and constitute to be accumulated profits of the Transferee Company for the previous financial year, arrived at after providing for depreciation in accordance with the provisions of the Act and remaining undistributed in the manner provided in the Act and other applicable laws. The amount so reclassified in the Profit and Loss Account shall be available for distribution to the equity shareholders of the Transferee Company, from time to time, by the Board of Directors of the Transferee Company, at its sole discretion, in such manner, quantum and at such time as the Board of Directors may decide.

3.2.4 The approval of the Scheme by the shareholders shall be deemed to be sufficient for the purpose of effecting the re-classification of the amount standing to the credit of the General Reserve and credit thereof to the Profit and Loss Account and no further resolution under any other applicable provisions of the Act would be required to be separately passed.

3.3 ACCOUNTING TREATMENT FOR REDUCTION OF CAPITAL AND REORGANISATION OF RESERVES OF PRIME SECURITIES LIMITED AS PER CLAUSE 3.1 AND 3.2 ABOVE



Upon Scheme becoming effective, Transferee Company shall pass following accounting entries pursuant to Clause 3.1 and 3.2 above:

- 3.3.1 The debit balance in Profit and Loss Account (after giving effect to Clause 2.6.2 of this Scheme) in the books of the Transferee Company as on the Appointed Date shall be adjusted / set off against (i) credit balance of Capital Reserve; (ii) credit balance of Capital Redemption Reserve; (iii) credit balance of Share Forfeiture Account; and (iv) credit balance of Securities Premium, in order to give effect to Clause 3.1 above;
- 3.3.2 The balance standing to the credit of General Reserve Account in the books of the Transferee Company as on Appointed Date shall be reclassified and credited to Profit and Loss Account of the Transferee Company, in order to give effect to Clause 3.2 above.
- 3.4 This part of the Scheme does not involve reduction in the issued, subscribed, paid-up share capital of the Transferee Company, any payment of the paid-up share capital to the shareholders of the Transferee Company nor does it result in extinguishment of any liability or diminution. There is no outflow of / payout of funds from the Transferee Company and hence, the interest of the shareholders / creditors is not adversely affected.



PART 4 GENERAL CLAUSES, TERMS AND CONDITIONS

4.1 APPLICATION TO NCLT

4.1.1 The Transferor Companies and the Transferee Company shall, as may be required, make applications and/or petitions under Sections 230 to 232 of the Act and other applicable provisions of the Act to the NCLT at Mumbai Bench for sanction of this Scheme and all matters ancillary or incidental thereto.

4.2 MODIFICATION OR AMENDMENTS TO THE SCHEME

4.2.1 Subject to approval of NCLT, Mumbai Bench, the Transferor Companies and the Transferee Company, by their respective Board of Directors may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the NCLT and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors). The Transferor Companies and the Transferee Company by their respective Board of Directors be and are 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.

4.2.2 The Transferor Companies and the Transferee Company may withdraw this Scheme prior to the Effective Date at any time.

4.3 CONDITIONALITY OF THE SCHEME

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



- 4.3.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the shareholders and / or creditors of the Transferor Companies and the Transferee Company as may be directed by the NCLT at Mumbai Bench or any other competent authority, as may be applicable.
- 4.3.2 The Scheme being sanctioned by the NCLT, Mumbai Bench or any other appropriate authority under Sections 230 to 232 and other applicable provisions, if any, of the Act.
- 4.3.3 Certified copies of the Orders of the NCLT at Mumbai Bench sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra, at Mumbai by the Transferor Companies and the Transferee Company.

4.4 EFFECT OF NON-RECEIPT OF APPROVALS

- 4.4.1 In the event any of the approvals or conditions enumerated in Clause 4.3 of the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Board of Directors of the Transferee Company and the Transferor Companies shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme is not sanctioned by NCLT, the Scheme shall become null and void and 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. In such an event, each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.
- 4.4.2 Further, in the case of non-receipt of approvals to the Scheme, no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the Transferor Companies or Transferee Company or their shareholders or creditors or employees or any other person.

4.5 DECLARATION OF DIVIDEND, BONUS, ETC.



4.5.1 Transferor Companies and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date but only in the ordinary course of business. Any declaration or payment of dividend otherwise than as aforesaid, by the Transferor Companies and/or by the Transferee Company shall be subject to the prior approval of the Board of Directors of respective companies and in accordance with applicable laws. It is clarified that prior approval of any of the Board of the Directors shall not be required for payment of any dividend already announced or declared but yet to be paid, by either of the Transferor Companies and / or the Transferee Company to its shareholders.

4.5.2 It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Companies and / or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Companies and / or the Transferee Company and subject, wherever necessary, to the approval of the shareholders of Transferor Companies and / or the Transferee Company, respectively.

4.6 OPERATIVE DATE OF THE SCHEME

4.6.1 The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date.

4.7 BINDING EFFECT

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

4.8 COSTS, CHARGES & EXPENSES



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

4.9 GIVING EFFECT TO THE SCHEME

4.9.1 For the purpose of giving effect to the Scheme, the Board of Directors of the Transferor Companies and the Transferee Company or any committee thereof, is authorized to give such directions as may be necessary or desirable and to settle as they may deem fit, any question, doubt or difficulty that may arise in connection with or in the working of the Scheme and to do all acts, deeds and things necessary for carrying into effect the Scheme.

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