

**Scheme of
Amalgamation
Of
Aadhar Housing
Finance Limited
With
DHFL Vysya
Housing Finance
Limited**

**SCHEME OF AMALGAMATION
OF
AADHAR HOUSING FINANCE LIMITED
WITH
DHFL VYSYA HOUSING FINANCE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS**
(Under Sections 230 to 232 of the Companies Act, 2013)

GENERAL

I. Purpose of Scheme

The Scheme of Amalgamation provides for the amalgamation of Aadhar Housing Finance Limited (Transferor Company), with DHFL Vysya Housing Finance Limited (Transferee Company”) pursuant to Section 230 to 232 and other relevant provisions of the Companies Act, 2013. This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

II. BACKGROUND

DHFL Vysya Housing Finance Limited (DVHFL) is engaged in the business of providing housing loans to retail customers for construction or purchase of residential property and loans against property. Aadhar Housing Finance Limited (AHFL) is engaged in the business of providing housing loans/finance to retail individuals or companies for purchase or construction / repair and renovation of new/existing flats/house for residential purpose and provide property related services.

III. Rationale for the Scheme.

The Board of Directors of both the Transferor Company and the Transferee Company are of the opinion that the amalgamation would enable:

- a) Consolidation of businesses;
- b) Maximize synergies;

- c) Simplification of the organizational structure;
- d) Reduce administrative cost; and
- e) Achieve operational and management efficiency, including reduction of managerial overlaps.

The amalgamation of the Transferor Company with the Transferee Company pursuant to this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the Section 2(1B) of the Income Tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the Section 2(1B) 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 Income Tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

IV. Parts of the Scheme

The Scheme is divided into the following parts:

- PART A - Deals with definitions, share capital of the Transferor Company and Transferee Company and date of taking effect of this Scheme.
- PART B - Deals with the amalgamation of the Transferor Company with the Transferee Company.
- PART C - Deals with general provisions or terms and conditions applicable to this Scheme.

PART A DEFINITIONS AND SHARE CAPITAL

1. DEFINITION

In this Scheme, unless inconsistent with the subject or context, the following shall have the meanings as provided herein:

- 1.1. **“Act” or “the Act”** means the Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof for the time being in force.
- 1.2. **“Appointed Date”** means the 1st day of April, 2016 or such other date as may be fixed or approved by the National Company Law Tribunal Bengaluru Bench or any other appropriate authority.
- 1.3. **“Board of Directors”** in relation to Transferor Company and Transferee Company as the case may be, and shall, unless it be repugnant to the context or otherwise, includes a committee of directors or any person authorized by the Board of Directors or such other Committee appointed by the Board .
- 1.4. **“Effective Date”** means the later of the dates on which the certified copy of the Order of the National Company Law Tribunal Bengaluru Bench sanctioning the Scheme of Amalgamation is filed by the Transferor and Transferee Company with the Registrar of Companies, Karnataka.

References in this Scheme to ‘upon the Scheme becoming effective’ or ‘upon the Scheme coming into effect’ shall mean the ‘Effective Date’.

- 1.5. **“Eligible Employees”** mean the employees of the Transferor Company who will be granted stock options under the Transferor ESOP Scheme 2016 as on the Effective Date.
- 1.6. **“SARFAESI Act”** means the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and shall include any statutory modifications, amendments or re-enactment thereof for the time being in force.
- 1.7. **“Scheme of Amalgamation” or “Scheme”** means this Scheme of Amalgamation in its present form or with any modification(s) under Clause 19 of the Scheme.

- 1.8. **“Transferee Company”** means DHFL Vysya Housing Finance Limited (DVHFL), a company incorporated under the Companies Act, 1956, having its Registered Office situated at Company, No.3, 8th A Main, J.V.T. Towers, Sampangirama Nagar - 560 027, Bengaluru, India.
- 1.9. **“Transferee ESOP Scheme 2016”** means the employees stock option scheme 2016 formulated by the Transferee Company for its employees, which scheme to be adopted by the shareholders of the Transferee Company.
- 1.10. **“Transferor Company”** means Aadhar Housing Finance Limited (AHFL), a company incorporated under the Companies Act, 1956, having the Registered Office at 2nd Floor, No.3, 8th A Main, J.V.T. Towers, Sampangirama Nagar - 560 027, Bengaluru, India
- 1.11. **“Transferor ESOP Scheme 2016”** means the employees stock option scheme 2016 formulated by the Transferor Company for its employees, which scheme to be adopted by the shareholders of the Transferor Company.
- 1.12. **“Tribunal”** or **“NCLT”** means the National Company Law Tribunal at Bengaluru constituted under section 408 of the Companies Act, 2013.
- 1.13. **“Undertaking”** means the entire business and the whole of the undertaking of the Transferor Company as a going concern, all their assets, rights, licenses and powers, and all their debts, outstanding(s), liabilities, duties, obligations and employees as on the Appointed Date including, but not in any way limited to the following:
- 1.13.1. All the assets and properties (whether moveable, or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including, without limitation, all the properties, plant and machinery, equipment, offices, capital work-in-progress, furniture, fixtures, office equipment, deposits, all stocks, leasehold/ freehold land, buildings,

structures, storehouse, interiors, assets, cash balances with banks, loans given whether secured or unsecured, book debts pertaining to all loans and advances, along with all securities concerned, including mortgages and other securities, advances given, security deposits, margin money, fixed deposits, collateral security, contingent rights or benefits, receivables, actionable claims, earnest monies, advances or deposits paid by the Transferor Company, financial assets, leases (including lease rights), rights and benefits of all agreements, contracts and arrangements, letters of intent, memorandum of understanding, expressions of interest whether under agreement or otherwise, tenancies or licenses in relation to the offices, residential properties (including for the employees) and all other interests in connection with or relating to the Transferor Company, benefits of any security arrangements or under any guarantees, reversions, powers, or possessions, investments, computers, office equipment, books, paper files, product specifications, record of standard operating procedure, drawings, other manual data catalogues, quotations, sales and advertisement materials and backup office, vehicles, incentives fixed and other assets, if any, and all other rights, titles, service marks, goodwill and other industrial rights of any nature whatsoever, including, but not limited, to benefits of all tax holidays, tax reliefs under the Income Tax Act, 1961 such as credit for advance tax, taxes deducted at source brought forward accumulated tax losses, unabsorbed depreciation etc., Minimum Alternate Tax (MAT) credit entitlement, benefits under the Finance Act, 1994, service tax set off, benefits of any unutilised CENVAT credits, , benefits, all custom duty benefits, any other benefits/ incentives/ exemptions given under any policy announced/ issued or promulgated by the Government of India, any State Government or any other government body or authority or any other like benefits under any statute and advantages of whatsoever nature belonging to or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to recognition or approvals received from government departments/ authorities, , rebate receivables, refunds and advances, contracts entered into by the Transferor Company (including but not limited to government contracts procured by the Transferor Company), industrial rights of any nature whatsoever,

authorizations, permits, no objection certificates (NOCs), easements, privileges, liberties and advantages of whatsoever nature and wheresoever situated, trade and service names and marks, patents, copy rights, and other intellectual property rights of any nature whatsoever, 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 , title, interests, other benefits (including tax benefits), easements, privileges, liberties and advantages of whatsoever nature and wheresoever situated 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 the Transferor Company or in connection with or relating to 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 the Transferor Company, whether in India or abroad;

1.13.2. All debts, (whether in Indian Rupees or foreign currency) liabilities (including contingent liabilities, if any), duties and obligations of the Transferor Company of every kind, borrowings, bills payable, debentures (whether secured or unsecured), Commercial Papers, interest accrued and all other debts, duties, undertakings, contractual obligations, provision made on outstanding standard assets, substandard assets, doubtful/loss assets, other provisions, guarantees given and obligations of the Transferor Company of every kind, nature and description whatsoever and howsoever;

1.13.3. All agreements, rights, contracts, entitlements, permits, municipal permissions, licenses, recognitions, approvals, registrations, pre-qualifications relating to the business of the Transferor Company, quota rights, engagements, arrangements, authorities, allotments, security arrangements, authorisations, concessions, benefits of any guarantees, reversions, powers, consents (including consent/approvals or acknowledgements given by the Reserve Bank of India or any other Governmental

Authority(ies) in relation to investments or acquisitions by non-resident investors or any other permission given to Transferor Company to accept foreign direct investments), rights and benefits under the SARFAESI Act, including powers for total existing loan recovery, permissions, certificates, clearances, powers of attorney given by, issued to or executed in favour of the Transferor Company (including, in respect of the Undertaking) shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of 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 Transferee Company. Transferee Company shall make applications to any Governmental Authorities and any third party (as the case may be) as may be necessary in this behalf and all other approvals of every kind, nature and description whatsoever relating to the business activities and operations of the Transferor Company;

1.13.4. All intellectual property rights, records, files, papers, computer programmes, software, manuals, data, catalogues, sales and advertising materials, lists, customer prototypes and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and all other records and documents relating to the business activities and operations of the Transferor Company;

1.13.5. Without prejudice to the generality of the preceding Clauses, the Undertaking of the Transferor Company shall further include all assets including claims or obligations, special reserve in terms of section 29C of National Housing Bank Act, 1987, certifications/permissions of whatsoever nature directly or indirectly pertaining to the business of export of the past, present or future products, and technical know-how agreement, if any, or otherwise with any person/ institution/ company or any association anywhere in the world, enactments, lease-hold rights and, systems of any kind whatsoever, rights and benefits of all agreements and other interests including rights and benefits under various schemes of different taxation and other laws may belong to or be available to the Transferor Company,

rights and powers of every kind, nature and description of whatsoever probabilities, liberties and approval of, whatsoever nature and wherever situated.

- 1.14. The words importing the singular shall include the plural and words importing any gender shall include every gender.
- 1.15. All terms and words used but 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 Companies Act 2013, as may be applicable.
- 1.16. References to “clause(s)”, unless otherwise provided, are to the clauses of this Scheme.
- 1.17. The headings herein shall not affect the construction of this Scheme. Any phrase introduced by the terms “including”, “include”, “in particular” or by any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.18. References to person shall include any individual, firm, body corporate (whether or not incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).

2. SHARE CAPITAL

- 2.1. The Share Capital of the Transferor Company AHFL as on March 31, 2016 is as under:

Authorised Capital	Amount in INR
20,00,00,000 Equity Shares of INR 10/- each	2,00,00,00,000/-
Issued, Subscribed and Paid-Up Capital	Amount INR
10,00,00,000 Equity Shares of INR 10/- each fully paid up	1,00,00,00,000/-

*Subsequent to March 31, 2016, the Transferor Company has made a Right Issue of 2,04,91,803 equity shares of face value INR10/- each, at the Fair Value of INR 24.40 per share, to its existing shareholders in proportion to their existing shareholding in the ratio of 5:1 (approx.)

The revised share capital, as per the provisional financial statements dated 31.01.2017 is as under:

Authorised Capital	Amount in INR
20,00,00,000 Equity Shares of INR 10/- each	2,00,00,00,000/-
Issued, Subscribed and Paid-Up Capital	Amount INR
12,04,91,803 Equity shares of INR 10/- each	1,20,49,18,030/-

The Transferor Company's Board has proposed to grant stock options to its employees under the Transferor ESOP Scheme 2016. Accordingly the issued share capital of the Transferor Company, as mentioned in the table above, may change as and when the stock options will be exercised and equity shares would be issued by the Transferor Company.

2.2. The Share Capital of the Transferee Company - DVHFL as on March 31, 2016 is as under:

Authorised Capital	Amount in INR
2,00,00,000 Equity Shares of INR 10/- each	20,00,00,000/-
Issued, Subscribed and Paid-Up Capital	Amount INR
1,10,80,705 Equity Shares of INR 10/- each fully paid-up	11,08,07,050/-

The Transferee Company has proposed to grant stock options to its employees under the Transferee ESOP Scheme 2016. Accordingly the issued share capital of the Transferee Company, as mentioned in the table above, may change as and when the stock options are exercised and equity shares are issued by the Transferee Company.

Except the above, subsequent to March 31, 2016, there has been no other change in the aforesaid share capital of the Transferee Company.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

- 3.1. The Scheme as set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT Bengaluru Benchor made as per Clause 19 of the Scheme, shall be effective from Appointed Date but shall be operative from the Effective Date.
- 3.2. 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 or any other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time

PART B

THE TRANSFER AND VESTING OF THE BUSINESS AND UNDERTAKING OF THE TRANSFEROR COMPANY TO THE TRANSFEE COMPANY

4. TRANSFER AND VESTING OF UNDERTAKING

- 4.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the entire Undertaking of the Transferor Company shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:
 - 4.1.1. The entire and whole of the Undertaking of the Transferor Company comprising its entire assets, investments and properties of whatsoever nature and wheresoever situated, shall, under the provisions of Section 230 read with Section 232 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in sub-Clauses 4.1.1.1 to 4.1.1.3 below)but subject to the existing securities, mortgages, charges, encumbrances or liens, if any, 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 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.

4.1.1.1. Any and all assets relating to the Transferor Company, as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery pursuant to this Scheme shall stand transferred and vested by the Transferor Company to the Transferee company and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement, as appropriate and title to the property shall be deemed to have been transferred and vested accordingly.

4.1.1.2. In respect of movables other than those specified in sub clause 4.1.1.1 above, including 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, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and /or be deemed to be transferred to and stand vested in the Transferee Company under the provisions of Sections 230 to 232 of the Act.

4.1.1.3. In relation to the assets, if any, belonging to the Transferor Company, which require separate documents of transfer, the Transferor Company and the Transferee Company will execute necessary documents, as and when required.

Provided that for the purpose of giving effect to the vesting order passed under Sections 230 to 232 in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders on this Scheme be entitled to get the record of the change in the title and the appurtenant legal right(s) upon the vesting of such assets of the Transferor Company in accordance with the provisions of Sections 230 to 232 of the Act, at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated.

4.1.2. With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and shall also, under the provisions of Section 230 read with Section 232 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company on the same terms as were applicable to the Transferor Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-Clause.

However, the Transferee Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured/unsecured creditors of the Transferor Company or in favour of any other party to the contract or arrangement to which the Transferor Company is a party or any writing, as may be necessary, in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company as well as to implement and carry out all such formalities and compliances referred to above.

Upon the coming into effect of the Scheme and without prejudice to the aforesaid, the Non-Convertible Debentures both Secured & unsecured (NCDs), issued by the Transferor Company shall pursuant to the provisions of Sections 230 to 232 of the Companies Act 2013, without any further act, instrument or deed including the process prescribed under sections 42, 71 of the Companies Act 2013 and other relevant provisions of the Act as applicable, become the debt securities of the Transferee Company on the same terms and conditions and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be

exercised by or against the Transferee Company as if it was the issuer of the NCDs so transferred.

Subject to the requirements, if any, imposed or concessions, if any, by the Stock Exchanges, and other terms and conditions agreed with the Stock Exchanges, the NCDs which stand transferred to the Transferee Company, pursuant to transfer of the NCDs, shall be listed and/or admitted to trading on the Wholesale Debt Market segment of the Stock Exchange(s) in India, where the NCDs are currently listed and/or admitted to trading.

4.1.3. With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions, registration (including registration with National Housing Bank) or approvals or consents relating to and or held by the Transferor Company required to carry on its business 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 therewith in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, registration or other licenses, and consents shall vest in and become available to the Transferee Company pursuant to the Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges granted by any Government body, local authority or by any other person, or enjoyed and availed of by the Transferor Company are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions.

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

Provided however that any reference in any security documents or arrangements (to which the Transferor Company is a party) pertaining to the assets of the Transferor Company offered, or agreed to be offered, as security for any financial

assistance or obligations, shall be construed as reference only to the assets pertaining to the Undertaking of the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that, such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the Transferor Company or any of the assets of the Transferee Company.

Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to any of the assets of the Transferor Company vested in the Transferee Company.

4.1.5. With effect from the Appointed Date, to the extent there are any inter-company loans, balances or other outstanding, interest or other obligations if any, due as between or amongst the Transferor Company and the Transferee Company the obligations in respect thereof shall come to an end and shall stand discharged and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances with effect from the Appointed Date.

4.1.6. This Scheme shall not, in any manner, affect the rights of any of the creditors of the Transferor Company and the Transferee Company.

5. CHANGE OF NAME OF TRANSFEE COMPANY

5.1.1. Pursuant to the order of the NCLT Bengaluru Bench sanctioning this Scheme with effect from the effective date, the name of the Transferee Company shall be changed from 'DHFL Vysya Housing Finance Limited' to 'Aadhar Housing Finance Limited' or any other name as may be proposed by the Board of Directors of the Transferee Company and approved by the Registrar of Companies, subject to

Section 13 of the Companies Act 2013. The change of name of the Transferee Company shall be effected as an integral part of this Scheme without any further act or deed on the part of the Transferee Company. It is expressly provided that the approval of the shareholders, whilst approving the Scheme shall be deemed to be due compliance of the provision of Section 13 of the Companies Act 2013 and other relevant and applicable provision of the Act for the change in name of the Transferee Company.

- 5.1.2. Further from the Effective Date, the Transferee Company will be known as Aadhar Housing Finance Ltd. or any other name as may be proposed by the Board of Directors of the Transferee Company and approved by the Registrar of Companies, and with the change in name and as a going concern, the Transferee Company will be entitled to all the rights and benefits it enjoyed prior to the Effective Date in the name of DHFL Vysya Housing Finance Ltd, inclusive of deposit taking permission from the Regulator, i.e. National Housing Bank, and under the SARFAESI Act, as one of the authorized Financial Institution under the SARFAESI Act, for enforcing all the securities that the Transferee Company had already obtained on disbursing loans to borrowers in the name of DHFL Vysya Housing Finance Ltd.

6. COMBINATION OF AUTHORISED SHARE CAPITAL

- 6.1. The current authorized share capital of the Transferor Company is INR 2,00,00,00,000 comprising 20,00,00,000 Equity Shares of INR 10/- each and the current authorized share capital of the Transferee Company is INR 20,00,00,000 comprising 2,00,00,000 Equity Shares of INR 10/- each.
- 6.2. Upon this Scheme becoming effective, the authorised share capital of the Transferor Company shall be added to the authorised share capital of the Transferee Company without any further act, deed, procedure, formalities or payment of any stamp duty or registration fees.

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

“The Share Capital of the Company is INR 2,20,00,00,000/- (Rupees Two Hundred and Twenty crores Only) divided into 22,00,00,000/- (Twenty Two Crores) Equity Shares of INR 10/- each”

- 6.3. The approval of this Scheme by the shareholders of both the companies under Sections 230 to 232 of the Act shall be deemed to have the approval under Sections 13, 61 of the Companies Act, 2013 and any other applicable provisions of the Act and any other consents and approvals required in this regard.

7. RESOLUTIONS

- 7.1. Upon the coming into effect of this Scheme, the resolutions, if any, of 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 applicable law, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

8. BOARD OF DIRECTORS OF THE TRANSFEROR COMPANY

- 8.1. The Board of Directors (or any committee/ sub-committee thereof) of the Transferor Company, upon this Scheme becoming effective, shall without any further act, instrument and deed stand dissolved. All directors of the Transferor Company shall cease to be directors of the Transferor Company on coming into effect of this Scheme. However, if any such director is a director of the Transferee Company, he will continue to hold his office in the amalgamated Transferee Company.

9. ISSUE OF SHARES

Issue of new equity shares by Transferee Company

9.1. Upon this Scheme becoming effective, Transferee Company shall without any further application or deed, issue and allot Equity Shares, at fair values, credited as fully paid-up, to the extent indicated below to the equity shareholders of Transferor Company holding fully paid-up Equity Shares and whose name appear in the register of members on the Effective Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the respective Board of Directors, in the following proportion:

“10(Ten) fully paid Equity Shares of INR 10/- each of Transferee Company shall be issued and allotted for every 119(One Hundred and Nineteen) fully paid Equity Shares of INR 10/- each held in Transferor Company.”

9.2. Any fraction arising on issue of equity shares by Transferee Company as per Clause 9.1 above will be rounded off to the nearest integer.

9.3. The Equity Shares to be issued by Transferee Company to the shareholders of Transferor Company shall be subject to the Memorandum and Articles of Association of Transferee Company and shall rank *pari passu* with the existing Equity Shares of Transferee Company in all respects.

9.4. The Equity Shares shall be issued by Transferee Company in physical form to the shareholders of Transferor Company.

9.5. Transferee Company shall take necessary steps to increase or alter or re-classify, (if necessary) its authorised share capital suitably to enable it to issue and allot the Equity Shares required to be issued and allotted by it under Clause 9.1 of this Scheme.

9.6. Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of Equity Shares to the shareholders of Transferor Company under Clause 9.1 of the Scheme.

9.7. **Transferor ESOP Scheme 2016**

- 9.7.1. Upon the effectiveness of the Scheme, the Transferee Company shall (i) adopt an employee stock option plan (in addition to the Transferee ESOP Scheme 2016) for the purpose of granting stock options to the Eligible Employees, on terms and conditions that are substantially the same as the terms and conditions of the Transferor ESOP Scheme 2016 (and in no case, less favourable than the terms and conditions set out under the Transferor ESOP Scheme 2016) (“Transferee Stock Option Plan”); and (ii) issue stock options to the Eligible Employees taking into account the Share Exchange Ratio as mentioned under clause 9.1 of the Scheme. Fractional entitlements, if any, arising pursuant to the applicability of the Share Exchange Ratio as above shall be rounded off to the nearest integer.
- 9.7.2. The total exercise price payable for stock options to be granted by the Transferee Company to the Eligible Employees under the Transferee Stock Option Plan shall be equivalent to the total exercise price payable by such employees under the Transferor ESOP Scheme 2016, for such options.
- 9.7.3. The grant of stock options by the Transferee Company to the Eligible Employees in lieu of options granted to them under the Transferor ESOP Scheme 2016, shall be effected as an integral part of the Scheme and the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Transferee Stock Option Scheme, including without limitation, for the purposes of creating the Transferee Stock Option Scheme and all related matters. All actions taken in accordance with clause 9.7 of this Scheme shall be deemed to be in full compliance of Sections 62 and / or 42 of the 2013 Act, any other applicable provisions of this Act and no further approval of the shareholders of the Transferor Company and Transferee Company or resolution, action or compliance under Sections 62 and / or 42 of the 2013 Act and / or any other applicable provisions of the Act would be required to be separately passed or undertaken by the Transferor Company or the Transferee Company.

- 9.7.4. It is hereby clarified that in relation to the options, to be granted by the Transferee Company to the Eligible Employees pursuant to this Scheme, in lieu of options, if any granted to them under the Transferor ESOP Scheme 2016, the period during which the options granted by the Transferor Company were held by or deemed to have been held by Eligible Employees shall be taken into account for determining the minimum vesting period required under applicable law for stock options granted under the Transferee Stock Option Scheme. Subject to applicable laws, the adjustments to the exercise price per option and option entitlement of the Eligible Employees of the Transferor Company proposed under Clause 9.7 shall be appropriately reflected in the accounts of the Transferee Company.
- 9.7.5. The Boards of Directors of the Transferor Company and the Transferee Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 9.7 of the Scheme.
- 9.8. The approval of this Scheme by the shareholders of both the companies under Sections 230 to 232 shall be deemed to have the approval under Sections 13, 14, 42 and Section 62(1)(c) of the Companies Act, 2013 as applicable and any other provisions of the Act and any other consents and approvals required in this regard.

PART - C

ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEEE COMPANY

10. ACCOUNTING TREATMENT

Upon the Scheme becoming effective and with effect from the Appointed date, Transferee Company shall account for amalgamation of Transferor Company in its books of account in accordance with Purchase method as prescribed in the Accounting Standard 14 'Accounting for Amalgamations' issued by the Institute of Chartered Accountants of India, as under:

- 10.1. All assets and liabilities recorded in the books of the Transferor Company shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their respective fair values as may be determined by the Board of Directors of the Transferee Company;
- 10.2. The balance in Special Reserve Account of the Transferor Company shall continue to be designated as Special Reserve Account in the books of the Transferee Company and the amount equivalent of such balance(s) would be debited to Amalgamation Adjustment account of the Transferee Company;
- 10.3. Inter-company balances and investments, if any, between the Transferor Company and the Transferee Company will stand cancelled;
- 10.4. The excess of the value of the net assets (after giving effect to provisions of Clause 10.2, 10.3 above) determined as per clause 10.1 above, as reduced by the face value and premium on the Equity Shares issued by the Transferee Company pursuant to clauses 9.1 to 9.6 above, would be credited to the Capital Reserve Account of the Transferee Company. In case there is a deficit, the same would be recorded as Goodwill in the books of the Transferee Company.
- 10.5. In case of any differences in accounting policy between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the balance of Profit & Loss account to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

11. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

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

- 11.2. The Transferor Company shall carry on its business and activities with reasonable diligence and business prudence and shall not, alter or diversify its respective business nor venture into any new business, nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of the Transferee Company.
- 11.3. All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company, shall for all purposes be treated as the income or profits or losses or expenditure as the case may be of the Transferee Company.
- 11.4. The Transferor Company shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Company as the case may be.
- 11.5. The Transferor Company and/or the Transferee Company shall be entitled to issue new equity shares and/or any kind of convertible securities, at fair market value, subject to written consent of the Board of Directors of both the Companies or the Committee of Directors duly appointed, as the case may be.

12. LEGAL PROCEEDINGS

- 12.1. If any suit, appeal, petitions or any other proceeding of whatever nature by or against the Transferor Company is pending before the Debt Recovery Tribunal or before the Competent authorities under the SARFAESI Act or any other authority and/or arising on or before the Effective Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal, petition or other legal proceedings shall be continued, prosecuted and enforced by or against the Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

12.2. In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company.

13. CONTRACTS, DEEDS, AND OTHER INSTRUMENTS

13.1. Subject to the other provisions of this Scheme, all contracts, agreement, deeds, (including Lease deeds and Leave and Licence agreements along with respective advances/deposits thereof) bonds, insurance Letters of Intent, undertakings, arrangements, policies and other instruments, if any, of whatsoever nature pertaining to the Transferor Company to which the Transferor Company is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

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

14. TREATMENT OF TAXES

14.1. All taxes of any nature, duties, cess or any other like payments or deductions made by Transferor Company to any statutory authorities such as Income Tax, , Service Tax, Value Added Tax etc. or any advance tax payment or tax deduction/ collection at source relating to the period immediately preceding the appointed date shall be transferred to the Transferee Company and relating to the period after the

Appointed Date and up to the Effective Date shall be deemed to have been on account of and on behalf of Transferee Company. 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 on this Scheme by the NCLT Bengaluru Bench or any other appropriate authority and upon relevant proof and documents being provided to the said authorities.

- 14.2. It is expressly clarified that upon the Scheme becoming effective all taxes payable by Transferor Company from the Appointed Date onwards shall be treated as the tax liability of Transferee Company; similarly all credits for tax deduction at source on income of Transferor Company shall be available to Transferee Company; or obligation for deduction of tax at source on any payment made by or to be made by Transferor Company shall be made or deemed to have been made and duly complied with if so made by either the Transferor Company or the Transferee Company. Similarly any advance tax payment required to be made by specified due dates in the tax laws shall also be deemed to have been made correctly if so made by Transferor Company.
- 14.3. The Transferor Company and the Transferee Company if required, are expressly permitted to revise their respective tax returns, forms, filings, including tax deducted at source (TDS) certificates/ returns and to claim refunds, advance tax credits, excise and service tax credits, set off, etc., upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.
- 14.4. From the Effective Date and till such time that the names of the bank accounts of the Transferor Company are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in its name, in so far as may be necessary.

All cheques and other negotiable instruments, payment orders received in the name of Transferor Company after the Effective Date shall be accepted by the bankers of Transferee Company and credited to the account of Transferee Company. Similarly, the banker of Transferee Company shall honor cheques issued by Transferor Company for payment after the Effective Date.

PART D

GENERAL TERMS AND CONDITIONS

15. SAVING OF CONCLUDED TRANSACTIONS

The transfer of undertaking under Clause 4 above and the continuance of proceedings by or against the Transferee Company under Clause 11 above shall not affect any transaction or proceedings already concluded by the Transferor Company up to the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf the Transferee Company.

16. TREATMENT OF EMPLOYEES

- 16.1. Upon the Scheme coming into effect, all the employees of the Transferor Company in service on the Effective Date shall be deemed to have become the employees of the Transferee Company with effect from the Effective Date without any break and interruption in their service and on the terms and conditions not less favorable than those on which they are engaged by the Transferor Company. The Services of the employees of the Transferor Company shall be taken into account from the date of their respective appointment with the Transferor Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Company shall also be taken into account.

- 16.2. The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company.
- 16.3. In so far as the Gratuity Fund, Provident Fund, Superannuation Fund or any other Special Scheme(s)/Fund(s) (hereinafter referred as "Fund/s") created or existing for the benefit of the Transferor employees are concerned, upon the Scheme coming into effect of this Scheme, the balances lying in the accounts of the Transferor Employees in the said Fund/s as on the Effective Date shall stand transferred from the respective Fund/s of the Transferor Company to the corresponding Fund/s set up by the Transferee Company.

17. DISSOLUTION OF TRANSFEROR COMPANY WITHOUT WINDING UP

On the Scheme coming into effect, the Transferor Company shall, without any further act or deed, stand dissolved without winding up from the Appointed Date in accordance with the provisions of the Act.

18. APPLICATION TO THE NCLT BENGALURU BENCH OR SUCH OTHER APPROPRIATE AUTHORITY

The Transferor Company and the Transferee Company, as may be directed by the NCLT shall make an application/petition to the NCLT under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Act, for an order sanctioning and bringing into effect of this Scheme.

19. MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 19.1. The Transferor Company and the Transferee Company with approval of their respective Board of Directors or the Amalgamation Committee appointed by the Board, in their full and absolute discretion may assent to any modification(s) or amendments in this Scheme, from time to time, which the NCLT and/or any regulatory authority may deem fit to direct or impose or which may otherwise be

considered necessary or which may otherwise be desirable for settling any question or doubt or difficulty that may arise for implementing or carrying out the scheme. It is clarified that the aforesaid powers of the Transferor Company and the Transferee Company to give effect to the modification / amendments to the Scheme may be exercised by their respective Board of Directors or any person/Committee authorised in that behalf by the concerned Board of Directors.

- 19.2. The Board of Directors of Transferor Company and Transferee Company shall resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds matters and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or limitations that the Hon'ble NCLT or any other authorities under law may deem fit to approve of, to direct and or impose.
- 19.3. The Transferor Company and the Transferee Company, through their respective Board of Directors, are hereby empowered and authorized to withdraw this Scheme or any part thereof prior to the Effective Date in any manner and at any time.
- 19.4. In the event that any conditions are imposed by the NCLT or any authorities, which the Board of Directors of the Transferor Company and the Transferee Company find unacceptable for any reason, then the Transferor Company and the Transferee Company shall be at liberty to withdraw this Scheme or any part thereof.

20. CONDITIONALITY OF SCHEME

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

- 20.1. The Scheme being approved by the requisite majority in number and value of such classes of persons including the respective members and/or creditors of the Transferor Company and Transferee Company as may be directed by the NCLT.
- 20.2. The Scheme being sanctioned by the NCLT or any other authority under Sections 230 to 232 of the Companies Act, 2013 and / or any regulatory authority as may be applicable.

- 20.3. The certified copy of the Order of the NCLT under Sections 230 to 232 of the Companies Act, 2013 sanctioning the Scheme are filed with the Registrar of Companies, Karnataka at Bengaluru, by the Transferor Company and the Transferee Company respectively.
- 20.4. The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if it is approved in its entirety unless specifically agreed otherwise by the Transferor and Transferee Company by their respective Board of Directors or any Committee of Directors constituted by them.

21. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

- 21.1. In the event of any of the said sanctions and approvals referred to in Clause 20 not being obtained and/ or the Scheme not being sanctioned by the NCLT or such other competent authority and / or the Order not being passed as aforesaid before 30th December 2017 or within such further period or periods as may be agreed upon between the Transferor Company and the Transferee Company by their Boards of Directors (and which the Boards of Directors of the Companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

22. COSTS

- 22.1. All costs, charges, taxes including duties, stamp duty, 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 and paid by the Transferee Company.