

**SCHEME OF MERGER BY ABSORPTION OF  
STAR SHOPPING CENTRES PRIVATE LIMITED**

**BY**

**FUTURE MARKET NETWORKS LIMITED**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND  
CREDITORS**

**(UNDER SECTIONS 230-232 OF THE COMPANIES ACT, 2013 READ WITH  
OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND  
RULES THEREUNDER)**

**1. AN OVERVIEW OF THE SCHEME**

This Scheme of Merger by absorption of Star Shopping Centres Private Limited (SSCPL or "the Transferor Company") by Future Market Networks Limited ("FMNL" or "the Transferee Company") is presented under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as the case may be, including any statutory modifications or re-enactments and rules made thereunder and amendments thereof.

**2. DESCRIPTION OF COMPANIES**

**2.1 Star Shopping Centres Private Limited**

2.1.1 Star Shopping Centres Private Limited ("SSCPL" or "Transferor Company") is a private limited company, incorporated under the provisions of the Companies Act, 1956, on 17 November, 2008 under the name "Star Shopping Centres Private Limited".

The registered office of SSCPL is situated at Knowledge House, Shyam Nagar, Jogeshwari - Vikhroli Link Road, Jogeshwari (East) Mumbai - 400060.



2.1.2 The main objects of SSCPL as per its memorandum of association are inter alia as under:

"1. To develop and manage physical environments including community centers, shopping centres , markets, malls, mixed use developments, catering to consumers and shoppers, giving a superior experience to including but not limited to public spaces, landscapes, recreation, shopping, eating out, dining, leisure, entertainment, children's activities, amidst convenient, designer, environments, provide services either directly, or indirectly in connection with the management of centers, amusement centers or of any organisation or business or centers in any manner

2. To render directly or indirectly advice, consultancy or technical assistance in relation to evaluation, conceptualisation planning, design, development, construction, implementation, supervision, operations and maintenance, marketing, acquisition or management of centers shopping centers, malls & markets, apartments, houses, hotels, motels, hostels, restaurants, factory premises, godowns, warehouses, flats, boarding houses, clubs, pleasure grounds and amusement parks, theatres, cinemas or such other show houses, meeting or lecture halls, libraries, dharamshalas, and sarais, health resorts and spas, garden, swimming pools bath, huts, bazaars, markets, melas and exhibition areas/projects "

3. To build, construct, establish, own, purchase, sell, taken on lease or exchange or otherwise acquire, hold maintain and manage industrial, commercial, or residential buildings, centers, shopping centers, apartments, houses, hotels, motels, hostels, restaurants, factory premises, godowns, warehouses, flats, boarding houses, clubs, pleasure grounds and amusement parks, theatres, cinemas or such other show houses, meeting or lecture halls, libraries, dharamshalas, and sarais, health resorts and sanitations, gardens, swimming pools, baths, huts, bazaars, and markets, melas and exhibition, and to let, sublet, give on lease or otherwise to permit use and occupation of the same for rent or hire charges and to provide for the tenants and occupiers thereof all or any of the conveniences commonly provided in residential, commercial and industrial quarters."



2.1.3 SSCPL is presently engaged in the business of planning, development and management of shopping centres/malls. SSCPL provides a range of specialised skills and services like conceptualisation, strategy and control of master planning, retail planning, tenant & trade mix, operations and management of the project opening etc. SSCPL is a subsidiary of Future Market Networks Limited.

## 2.2 Future Market Networks Limited

2.2.1 Future Market Networks Limited ("FMNL" or "Transferee Company") is a company, incorporated under the provisions of the Companies Act, 1956, on 10 March, 2008 under the name "Future Mall Management Limited".

2.1.2 The name of Future Mall Management Limited was changed to Agre Developers Limited and a fresh certificate of incorporation dated 4th October, 2010. Subsequently, the name of Agre Developers Limited was changed to Future Market Networks Limited and a fresh certificate of incorporation dated 6<sup>th</sup> February, 2012.

2.2.2 The registered office of FMNL is situated at Knowledge House, Off. Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060, Maharashtra, India.

2.2.3 The Equity shares of FMNL are listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").

2.2.4 The main objects of FMNL as per its memorandum of association are as under:

"1.To carry on the business in India or elsewhere of maintaining, operating, managing malls, shopping centres, immovable properties of all nature and description including shopping malls, commercial complexes, shopping plazas, cinema halls, theatres, departmental stores, hypermarkets, shops, business, houses, offices, residential estates, hotels, motels, resorts, homes, organisations, exhibition centres, conference centres, boarding and lodging houses, clubs, dressing rooms, and places of amusement and recreation, sports and entertainment.



2. To carry on the business in India or elsewhere of buying, selling, importing, exporting, distributing, transporting, warehousing, promoting, supplying, trading and dealing of all kinds of goods including fast moving consumable goods, merchandise either raw material, finished or semi-finished items of grocery, garments, fruits and vegetables, apparels, furniture, fixture and furnishing, cosmetic, child care products, electric and electronic products, home décor, jewellery, foot wear, entertainment, stationary, books and journals and to act as brokers, clearing and forwarding agent, shipper, commission agent, representative, franchiser, consultant, collaborator and marketing agents for aforesaid items on its own and to appoint sub-franchisers etc., for any of the above purposes.

2A To carry on the business in India or elsewhere of builders, contractors, erectors, constructors of buildings of all nature being residential, industrial, institutional or commercial, townships, holiday resorts, hotels, motels, shopping malls and preparing plans for building sites, constructing, reconstructing, erecting, altering, improving, enlarging developing, decorating, furnishing and maintaining of structures, flats, houses, factories, commercial buildings, garages, warehouses, buildings for all purposes and conveniences and to purchase for development, free-hold and lease-hold lands, houses, buildings, structures and other properties of any tenure and any interest therein.”

2.2.5 FMNL is presently engaged in the business engaged in the business of building capacity and enabling the infrastructure for future markets in a more efficient and cost effective manner. It aims to create a network of new markets by integrating and better organizing the modern wholesale trade, retail and logistics infrastructure in India.

### 3. RATIONALE

This Scheme involves the restructuring of FMNL and its subsidiary, SSCPL by way of Merger by absorption of SSCPL by FMNL.

3.1 The rationale for the Scheme is mentioned below:

- Rationalizing the group structure to ensure optimized legal entity structure more aligned with the business;



- Reorganizing the legal entity in the group structure so as to obtain significant cost savings and/or simplification benefits;
- Significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by FMNL and SSCPL
- Rationalizing costs by elimination of administrative functions and multiple record-keeping.
- Result in business synergies besides economies in cost by combining all the functions, related activities and operations and benefits in the form of managerial and technical expertise;

In view of the aforesaid, the Board of Directors of both the Companies have considered and proposed the Merger by absorption of the entire undertaking and business of the Transferor Company by the Transferee Company in order to benefit the stakeholders of the said companies. Accordingly, the Board of Directors of the Transferor Company and the Transferee Company have formulated this Scheme for the transfer and vesting of the entire business of the Transferor Company with and into the Transferee Company pursuant to the provisions of Section 230 to Section 232 other relevant provisions of the Companies Act, 2013, as may be applicable (including any statutory modification or re-enactment or amendment thereof).

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

#### 4. GENERAL

4.1 This Scheme is divided into the following parts:

- 4.1.1 Part I, provides for definitions, interpretation and share capital;
- 4.1.2 Part II, provides for the Merger by absorption of SSCPL by FMNL, discharge of consideration, accounting treatment, merger of authorised share capital and matters incidental thereto;
- 4.1.3 Part III, deals with the general terms and conditions applicable to all parts of this Scheme.



## PART I- DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

### 5. DEFINITIONS

In the Scheme, unless repugnant to the meaning or context thereof, the following terms and expressions shall have the meanings given to them:

**“Act”** means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;

**“Applicable Law”** means any statute, notification, bye-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force;

**“Appointed Date”** means 1<sup>st</sup> April, 2017 or such other date as may be directed by NCLT; Mumbai Bench or such other competent authority as may be applicable.

**“Appropriate Authority”** means any government body (central, state or local Government), legislative body, statutory body, departmental or public body or regulatory or administrative authority, judicial or arbitral body or other organization operating under the force of law including NCLT, the stock exchanges, the Securities and Exchange Board of India (“SEBI”), income tax authorities and other applicable authorities pursuant to the provisions of Section 230(5) of the Act, as may be relevant in the context;

**“Board of Directors”** or **“Board”** in relation to SSCPL and FMNL as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorised for the purposes of matters pertaining to the Scheme and/or any other matter relating thereto;

**“Contracts”** means deeds, bonds, contracts, agreements (including in connection with contracts for services) and other instruments;

**“Effective Date”** means the date on which the last of all the conditions and matters referred to in clause 29 have been fulfilled, obtained or waived. References in this Scheme to ‘upon this Scheme becoming effective’ or ‘upon this Scheme coming into effect’ shall mean the Effective Date. Any references in this Scheme to “upon this Scheme becoming effective” or “upon coming into effect of this Scheme” or “upon the Scheme coming into effect” shall be construed to be a reference to the Effective Date;



**“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;

**FMNL” or “Transferee Company”** means Future Market Networks Limited, a public company limited by shares, which is listed on recognised stock exchanges incorporated on 10 March, 2008 under the provisions of the Companies Act, 1956 and having its registered office at Knowledge House, Off. Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060, Maharashtra, India.

**“Governmental Approval”** means any consent, approval, licence, permit, order, exemption, certificate, clearance or authorisation obtained or to be obtained from, or any registration, notification, declaration or filing made to or with, or to be made to or with, any Appropriate Authority;

**“Income Tax Act”** means the Income Tax Act, 1961, including any amendments made therein or statutory modifications or re-enactments thereof for the time being in force;

**“Merger by absorption”** means the amalgamation of Transferor Company with Transferee Company in accordance with Section 2(1B) of the Income Tax Act, 1961, and the restructuring contemplated by the Scheme in terms of Part II of the Scheme;

**“NCLT”** means the National Company Law Tribunal, Mumbai Bench having jurisdiction over FMNL and SSCPL;

**“Registrar of Companies” or “ROC”** means the Registrar of Companies, at Mumbai.

**“Scheme” or “this Scheme”** means this Scheme of Merger by absorption in its present form submitted to NCLT with any modification(s) thereto as NCLT or any other Appropriate Authority may require, direct or approve;

**“SEBI Circular”** means the circular no. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017 as modified by Circular no. CFD/DIL3/CIR/2017/26 dated 23<sup>rd</sup> March, 2017 and as also modified by Circular no. CFD/DIL3/CIR/2018/2 dated 3 January, 2018 issued by SEBI and all other applicable circulars and regulations issued by SEBI in this respect;



“SEBI LODR” means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

“SSCPL” or “Transferor Company” means Star Shopping Centres Private Limited, a private company limited by shares, incorporated on 17<sup>th</sup> November, 2008 under the provisions of the Companies Act, 1956 and having its registered office at Knowledge House, Shyam Nagar, Jogeshwari - Vikhroli Link Road, Jogeshwari (East) Mumbai - 400060

“Tax” or “Taxes” means any and all taxes (direct or indirect), surcharges, fees, levies, duties, tariffs, imposts and other charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto), in each case in the nature of a tax, imposed by any Appropriate Authority (whether payable directly or by withholding), including taxes based upon or measured by income, windfall or other profits, gross receipts, property, sales tax, severance, branch profits, customs duties, excise duty, CENVAT credit, withholding tax, self-assessment tax, advance tax, service tax, goods and services tax, stamp duty, transfer tax, value-added tax, minimum alternate tax, minimum alternate tax credit, banking cash transaction tax, securities transaction tax, input tax credit, entry tax, advance income tax, tax deducted at source, wealth tax, fringe benefit tax, tax collected at source, cess, tax refunds, taxes withheld or paid in a foreign country, customs duty and registration fees;

All terms and words used in this Scheme and not specifically defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act.

## 6. INTERPRETATION

In this Scheme, unless the context otherwise requires:

- 6.1 words denoting singular shall include plural and vice versa;
- 6.2 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- 6.3 references to the word “include” or “including” shall be construed without limitation;





- 6.4 a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- 6.5 unless otherwise defined, the reference to the word "days" shall mean calendar days;
- 6.6 references to dates and times shall be construed to be references to Indian dates and times;
- 6.7 reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- 6.8 references to a person include any individual, firm, body corporate (whether incorporated or not), Government, state or agency of a state or any joint venture, association, partnership, works councillor, employee representatives body (whether or not having separate legal personality);
- 6.9 references to any person includes that person's successors;
- 6.10 word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them;
- 6.11 any reference to any statute or statutory provision shall include:
- (i) all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time); and
  - (ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced. Provided that nothing in this Clause 6 shall operate to increase the liability of any party to this Scheme beyond that which would have existed had this Clause 6 been omitted.



- 6.12 The Scheme set out herein in its present form, or with modification(s), if any, made in accordance with the provisions of the Scheme and the directions of NCLT, shall be deemed to be effective from the Appointed Date but shall be operative only from the Effective Date.

## 7. SHARE CAPITAL

### 7.1 SSCPL (Transferor Company)

The share capital of SSCPL as on 31<sup>st</sup> December, 2017 is as under:

Authorised Share Capital	Amount (Rs.)
40,000 Equity Shares of Rs. 10 each	400,000
<b>Total</b>	<b>400,000</b>
<b>Issued, Subscribed and Fully Paid Up Share Capital</b>	
25, 000 Equity Shares of Rs.10 each	250,000
<b>Total</b>	<b>250,000</b>

Thereafter there has been no change in authorised, issued, subscribed and paid up share capital of SSCPL

### 7.2 FMNL (Transferee Company)

The share capital of FMNL as on 31<sup>st</sup> December, 2017 is as under

Authorised Share Capital	Amount (Rs.)
902,60,000 Equity Shares of Rs. 10 each	9,026,00,000
5000 Preference Shares of Rs 100 each	500,000
<b>Total</b>	<b>9,031,00,000</b>
<b>Issued Share Capital</b>	
56,291,851* Equity Shares of Rs 10 each	562,918,510
<b>Total</b>	<b>562,918,510</b>
<b>Subscribed and Fully Paid Up Share Capital</b>	
56,291,281 Equity Shares of Rs 10 each	562,912,810
<b>Total</b>	<b>562,912,810</b>

*\*570 Equity shares of the Company are kept in abeyance and the said shares will be allotted subsequent to completion of legal formalities to allot the original shares in Future Enterprises Limited (the demerged entity in the Scheme approved by the Hon'ble High Court of Bombay vide its order dated August 24, 2010 which are currently held in abeyance.*

Thereafter there has been no change in authorised, issued, subscribed and paid up share capital of FMNL.



Subsequent to Merger by absorption, the Transferee Company will allot its shares to shareholders of Transferor Company who holds 40% of the paid up share capital of Transferor Company and 60% of the equity capital held by Transferee Company in Transferor Company shall be cancelled. The shares of the Transferee Company are currently listed on the BSE Limited and the National Stock Exchange of India Limited.

## **PART II MERGER BY ABSORPTION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY**

8. With effect from the Appointed Date and upon the coming into effect of this Scheme, pursuant to the provisions of Section 230 to 232 of the Act and other applicable provisions of the Act, the Transferor Company shall stand merged with and be vested in the Transferee Company, as a going concern in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing but subject to existing Encumbrances affecting the same, so as to become, as and from the Appointed Date, the undertaking, businesses, properties and other belongings, of the Transferee Company by virtue of and in the manner provided in this Scheme. The name of the Transferee Company immediately after Merger by absorption shall remain unchanged by virtue of this Scheme
9. Without prejudice to the generality of clause 8 of the Scheme upon the coming into effect of the Scheme and with effect from the Appointed Date:
  - 9.1 all assets (whether or not recorded in the books of accounts) of the Transferor Company that are movable in nature or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery and on the Scheme becoming effective, shall stand vested in the Transferee Company and shall be deemed to have been physically handed over by physical delivery or by endorsement and delivery as the case may be, without the need to execute any separate instrument to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company.
  - 9.2 all assets of Transferor Company that are movable in nature, other than those in sub-clause 9.1 above, investments in shares and other securities, sundry debtors, actionable claims, receivables, 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, stand transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date, become the property of the Transferee Company, without any notice or other intimation to the debtors or obligors or any other person. The Transferee Company may (without being obliged to do so), if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor or any other person, that pursuant to the sanction of the Scheme by NCLT, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise all such debts (including the debts payable by such debtor or obligor or any other person to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors or other persons to record such change.

- 9.3 all lease and licence agreements entered into by the Transferor Company with various landlords, owners and lessors in connection with the use of the assets of the Transferor Company, together with security deposits, shall stand automatically transferred and vested in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company.
- 9.4 any and all approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses, certificates, tenancies, trade names, trademarks, service marks, copyrights, domain names, brand names, sales tax credits, income tax credits, applications for trade names, trademarks, service marks, copyrights, privileges and benefits of all contracts, agreements, applications and all other rights including lease rights, licenses and registrations, powers and facilities of every kind and description whatsoever, pertaining to the Transferor Company.



- 9.5 all immovable properties of the Transferor Company including land, building, offices, sites and accretions and appurtenances and rights, title and interest in connection with the said immovable properties whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall upon this Scheme becoming effective, stand transferred to and vested in the Transferee Company, without any further act or deed done/executed or being required to be done/executed by the Transferor Company or the Transferee Company or both. The Transferee Company shall be entitled to exercise and enjoy all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the Appropriate Authorities pursuant to the sanction of this Scheme by NCLT and upon the Scheme becoming effective in accordance with the terms hereof.
- 9.6 all Contracts and other instruments to which the Transferor Company is a party, or to the benefit of which the Transferor Company may be entitled, and which are subsisting or having effect immediately prior to the Effective Date, shall, without any further act, instrument or deed, continue in full force and effect against or in favour of, as the case may be, the Transferee Company, and may be enforced effectively by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor or obligee thereto or thereunder. Such contracts shall continue to be in full force and continue as effective as hitherto for in favour of or against the Transferee Company and shall be the legal and enforceable rights and interests of the Transferee Company, which can be enforced and acted upon as fully and effectually as if, it were the Transferor Company and shall be deemed to be its successor in interest. Upon the Scheme becoming effective, the rights, duties, obligations, interests flowing from such contracts, shall be deemed to have been entered in and novated to the Transferee Company and the Transferee Company shall be deemed to be the Transferor Company's substituted party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Company. All inter-se contracts between the Transferee Company and the Transferor Company shall stand cancelled and cease to operate upon this Part II of the Scheme becoming effective.



- 9.7 all Taxes payable by or refundable to the Transferor Company, including all or any refunds or claims shall be treated as the Tax liability or refunds/claims, as the case may be, of the Transferee Company, and any Tax incentives, advantages, privileges, exemptions, rebates, benefits, credits, remissions, reductions, or Tax holidays, minimum alternate tax credit, as would have been available to the Transferor Company, shall pursuant to the Scheme becoming effective, be available to the Transferee Company and following the Effective Date, the Transferee Company shall be entitled to initiate, raise, add or modify any claims in relation to such Taxes on behalf of the Transferor Company.
- 9.8 all Government Approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates of every kind and description whatsoever of or to the benefit of the Transferor Company may be eligible/entitled, and which are subsisting or having effect immediately before the Scheme coming into effect, shall by endorsement, delivery or recordal pursuant to the vesting orders of NCLT sanctioning the Scheme, and on the Scheme becoming effective, be deemed to be Government Approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Appropriate Authority for the purpose of carrying on its business or in connection therewith) and certificates of every kind and description of whatsoever nature, of the Transferee Company, and shall be in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto.
- 9.9 the Transferee Company shall be entitled to claim refunds or credits, including input tax credits, with respect to Taxes paid by for, or on behalf of, the Transferor Company under Applicable Law, including but not limited to sales tax, goods and service tax, as applicable, value added tax, service tax, excise duty cess or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, input tax credits already availed of or utilized by the Transferor Company and the Transferee Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.



- 9.10 all benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, shall under the provisions of Section 230 to 232 of the Act, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken/ complied with by the Transferee Company.
- 9.11 all the resolutions, if any, of the Transferor Company, which are valid and subsisting, shall under the provisions of Sections 230 to 232 of the Act, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, 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.
- 9.12 upon the Scheme becoming effective, the Transferee Company shall be entitled to without limitation, operate the Bank accounts, including transacting in cash, cheque, NEFT, RTGS, or any other electronic mode, intra company, inter company, other settlements, availing and utilizing any limits, issuing or receiving any guarantee of the Transferor Company or carry out any other transaction as it deems fit.
- 9.13 all books, records, files, papers, engineering and process information, catalogues, quotations, advertising materials, if any, lists of present and former clients, whether in physical or electronic form, of the Transferor Company to the extent possible and permitted under Applicable Law, be handed over to the Transferee Company.
10. Without prejudice to the generality of clause 8 above, upon the Scheme coming into effect and with effect from the Appointed Date:
- 10.1 all the liabilities including secured and unsecured debts (whether in Indian Rupees or foreign currency), sundry creditors, contingent liabilities, reserves, provisions and funds, duties and obligations (whether or not provided in the books of the Transferor Company) of the



Transferor Company, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilised for its business activities and operations shall, under the provisions of Sections 230 to 232 of the Act and other applicable provisions of Act, and all other provisions of Applicable Law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company, and the same shall be assumed by the Transferee Company, to the extent they are outstanding on the Effective Date, and shall become on and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company alone shall meet, discharge and satisfy the same. The Scheme shall not in any manner affect the rights and interests of the creditors of the Transferor Company or be deemed to be prejudicial to their interests and in particular the statutory creditors of the Transferor Company shall continue to enjoy and hold charge upon their respective securities and properties. 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, execute Deeds of Confirmation, in favor of any of the creditors of the Transferor Company or in any other party to any contract or arrangement to which Transferor Company or Transferee Company is a party to, or any writings as may be necessary to be executed in order to give formal effect to the above provisions

- 10.2 all inter-se liabilities, between Transferor Company and Transferee Company, if any, due or outstanding or which may at any time immediately prior to the Effective Date become due or remain outstanding, shall stand cancelled and be deemed to have been discharged by such cancellation and consequently, there shall remain no inter-se liability between them as of Effective Date and corresponding effect shall be given in the books of account and records of Transferee Company.
- 10.3 all the existing Encumbrances, if any, existing prior to the Effective Date on the assets of the Transferor Company which secure or relate to the liabilities of the Transferor Company shall without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for transfer of the same, continue to relate and attach to only such assets or any part thereof to which they are related or attached prior to the Effective Date and are transferred to the





Transferee Company. It is clarified that the aforesaid Encumbrances shall not extend to any assets of the Transferor Company which were earlier not encumbered or to the existing assets of the Transferee Company unless specifically agreed to by Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of Transferee Company, if any.

- 10.4 any reference, in any security documents or arrangements (to which the Transferor Company is a party), to the Transferor Company and assets and properties of Transferor Company, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company pursuant to this Scheme.
- 10.5 without prejudice to the foregoing provisions, the Transferee Company/the Transferor Company may execute any instruments or documents or do all such acts and deed as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- 10.6 the provisions of this clause 10 shall operate notwithstanding anything to the contrary contained in any instrument, deed, document or writing or the terms of sanction or issue or any security document; all of which instruments, deeds, documents or writings shall stand modified and/or superseded by the foregoing provisions.

## 11. Employees

- 11.1 All the employees, staff and workmen if any, employed with the Transferor Company, shall become employees, staff and workmen of and be engaged by the Transferee Company, with effect from the Scheme coming into effect, on terms and conditions which, as a result, shall be no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of the Merger by absorption and transfer and without any further act, deed or instrument on the part of the Transferor Company or the Transferee Company.
- 11.2 All contributions made by the Transferor Company on behalf of its employees, staff and workmen and all contributions made by the employees, staff and workmen including the interests arising thereon, to the funds and standing to the credit of such employee's, staff's and



workman's account with such funds, shall, upon this Scheme becoming effective, be transferred to the Transferee Company along with such of the investments made by such funds which are referable and allocable to the employees, staff and workmen of the Transferor Company and the Transferee Company shall stand substituted for the Transferor Company with regard to the obligation to make the said contributions.

- 11.3 With regards to provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of employees, staff and workmen of the Transferor Company, upon Part II of the Scheme becoming effective, shall be continued on no less favourable terms and conditions by the Transferee Company and, the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of Applicable Law or otherwise. It is the intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company without need of any fresh approval from any statutory authority. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees, staff and workmen and the services of all such employees, staff and workmen of the Transferor Company for such purpose shall be treated as having been continuous.
- 11.4 The Transferee Company agrees that the services of all employees, staff and workmen of the Transferor Company, prior to the transfer, shall be taken into account for the purposes of all benefits to which such employees, staff and workmen may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, superannuation, provident fund and other retirement benefits and accordingly, such benefits shall be reckoned from the date of their respective appointment in the Transferor Company. The Transferee Company undertakes to pay the same, as and when payable under Applicable Law.
- 11.5 The Transferor Company will transfer/handover to the Transferee Company, copies of employment information of all such transferred employees, staff and workmen of the Transferor Company, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an



employee's, , staff's and workman's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files and all forms, notifications, order and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.

- 11.6 The Transferee Company shall continue to abide by any agreement(s)/settlement(s) entered into by the Transferor Company with employees, staff and workmen of the Transferor Company which are subsisting or having effect immediately prior to the Appointed Date and continuing from the Appointed Date till the Effective Date.
- 11.7 Any disciplinary action initiated by the Transferor Company against any employee, staff and workman of the Transferor Company shall have full force, effect and continuity as if it was initiated by the Transferee Company instead of the Transferor Company.

## 12. Legal Proceedings

- 12.1 All proceedings of whatsoever nature (legal, quasi-judicial and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Transferor Company, shall not abate, be discontinued or be in any way prejudicially affected by reason of the Merger by absorption or anything contained in this Scheme, but the said proceedings shall until Effective Date, be continued, prosecuted and enforced, by or against the Transferor Company, as if this Scheme had not been made.
- 12.2 Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or arbitrator or tribunal) by or against, the Transferor Company, whether pending and/or arising on or before the Effective Date shall be continued and/or enforced by or against the Transferee Company and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Transferee Company.
- 12.3 The Transferee Company undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated by or against the Transferor Company, transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.



13. The experience, track record and credentials of the Transferor Company in relation to the supply of products, equipment and services to various authorities, agencies and clients prior to its Merger by absorption by the Transferee Company shall be taken into account and treated and recognised as the experience, track record and credentials of the Transferee Company including for the purpose of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of such authorities, agencies and clients.
14. The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after the Effective Date, in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds and/or documents of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company is a party, including any filings with the Appropriate Authorities, in order to give formal effect to the above provisions. The Transferee Company shall, for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such deeds, documents and writings for and on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above or otherwise required to be carried out or performed on the part of the Transferor Company.
15. On or after the Effective Date, the Transferor Company and the Transferee Company are expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961(including for the purpose of re-computing tax on book profits and claiming other tax benefits), Goods & Services Tax law and other tax laws, and to claim refunds and/or credits for taxes paid, and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme from the Appointed Date
16. The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after the Effective Date, in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary for transfer/ vesting of the Government Approvals, sanctions, consents, exemptions, rebates, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company including its business and operations, into the Transferee Company. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall make and duly record the necessary



substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by NCLT, and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company (including its successors and assigns) shall, if and as required, file, appropriate applications/documents etc. with Appropriate Authorities concerned for information and record purposes. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such applications/documents etc. for and on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

17. Upon the Scheme becoming effective, the Transferee Company shall be entitled to without limitation, operate the Bank accounts, including transacting in cash, cheque, NEFT, RTGS, or any other electronic mode, intra company, inter company, other settlements, availing and utilizing any limits, issuing or receiving any guarantee of the Transferor Company or carry out any other transaction as it deems fit.
18. For the purpose of giving effect to the Merger by absorption order passed under Sections 230 to 232 of the Act (and other applicable provisions) in respect of this Scheme by the Hon'ble National Company Law Tribunal, Mumbai Bench, the Transferee Company shall, at any time pursuant to the orders on this Scheme, be entitled to get the recordal of change in the legal right(s) upon the Merger by absorption of the Transferor Company, in accordance with the provisions of Sections 230 to 232 of the Act. The Transferee Company shall be authorized to execute any pleadings, applications, forms, etc., as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.
19. Upon this Scheme becoming effective, the Transferee Company unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all liabilities and obligations of the Transferor Company, pertaining to the period subsequent to the Appointed Date, in order to give effect to the foregoing provisions.
20. The Transferee Company is commercially solvent and their respective undertaking(s) can fully take care and honour its creditors, if any, and all liabilities, therefore by virtue of Merger by absorption of the Transferor Company by the Transferee Company, the creditors, if any, of the Transferor Company shall not be affected in any manner whatsoever.



21. Further, the Transferee Company has a substantial capital and operation base and therefore upon the Merger by absorption of the Transferor Company by the Transferee Company, the creditors, if any, of the respective Transferor Company also shall not be affected in any manner whatsoever.
22. **Conduct of Business**

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

- 22.1 The Transferor Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for, the Transferee Company;
- 22.2 All obligations, liabilities, duties and commitments attached, shall be undertaken and shall be deemed to have been undertaken by the Transferor Company for and on account of and in trust for the Transferee Company;
- 22.3 All profits and income accruing or arising to or losses and expenses arising, incurred or accruing to the Transferor Company, for the period commencing from the Appointed Date, shall for all purposes be treated as and be deemed to be the profits, income, losses or expenses, as the case may be, of the Transferee Company;
- 22.4 Any of the rights, powers, authorities or privileges exercised by the Transferor Company, shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company, shall be deemed to have been undertaken for and on behalf of and as an agent of the Transferee Company;
- 22.5 All Taxes, where applicable, payable by or refundable to the Transferor Company including all or any Tax refunds or Tax liabilities or Tax claims arising from pending Tax proceedings, under Applicable Law, on or before the Effective Date, shall be treated as or deemed to be treated as the Tax liability or Tax refunds/ Tax claims (whether or not recorded in the books of the Transferor Company) as the case may be, of the Transferee Company.



22.6 The Transferor Company may raise or utilize loans from the Transferee Company or discharge loans or interest amounts (if any) due or payable or which may at any time prior to the Effective Date become due or payable to the Transferee Company.

22.7 With effect from the Appointed Date, Transferor Company has carried on and hereafter undertakes to carry on its business with reasonable diligence and utmost business prudence. From the date of the acceptance of this Scheme by the respective Board of Transferor Company and Transferee Company, Transferor Company shall not alienate, charge, encumber, mortgage or otherwise deal with the assets or any part thereof, without the prior written consent of Transferee Company, save and except in the ordinary course of business, or pursuant to any pre-existing obligation by Transferor Company prior to the Appointed Date

### 23. Saving of Concluded Transactions

Subject to the terms of the Scheme, the transfer and vesting of the Transferor Company as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or after the Appointed Date until the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company or its predecessors as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

### 24. Consideration

24.1 Upon this Scheme becoming effective, shares held as investments in the Transferor Company by the Transferee Company (either held in its own name or through its nominee (s)), shall stand cancelled in their entirety, without any further act, instrument or deed.

24.2 Further, upon the Scheme becoming effective, and in consideration of the transfer of all the assets and liabilities of the Transferor Company to Transferee Company and in terms of the Scheme, the Transferee Company shall, without any further application, act, instrument, deed, issue and allot to the equity shareholders of the Transferor Company (whose names are registered in the register of members of the Transferor Company on the record date, or his/her legal heirs, executors or administrators or, as the case may be, successors), in the following manner:



12531 equity shares of face value of Rs 10/- (Rupees Ten ) each credited as fully paid up of the Transferee Company for every 100 (One Hundred) fully paid up equity shares of face value of Rs 10/- (Rupees Ten Only) each held in the Transferor Company.

- 24.3 The ratio in which the new equity shares of the Transferee Company are to be issued and allotted to the equity shareholders of the Transferor Company is herein referred to as "Share Exchange Ratio". The aforesaid share exchange ratio has been approved by the Board of Directors of the Transferor Company and Transferee Company as being a fair share exchange ratio as recommended by a reputed independent firm of Chartered Accountants vide their valuation report dated January 30, 2018.
- 24.4 Under and pursuant to the Merger by absorption of the Transferor Company by Transferee Company, no fractional shares shall be issued by the Transferee Company in respect of the fractional entitlements, if any, of the shareholders of the Transferor Company and such fractional entitlement, if any, shall be ignored
- 24.5 The Transferee Company shall, to the extent required, increase its Authorized Share Capital in order to issue Equity Shares under this Scheme. Further, the Transferee Company shall comply with the provisions of the Act to increase its Authorized Share Capital.
- 24.6 In case any member's holding in the Transferor Companies is such that the member becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue fractional share certificates to such member but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by the Transferee Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the applicable taxes and expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.
- 24.7 All Equity Shares to be issued and allotted by the Transferee Company in terms hereof shall rank pari passu in all respects including dividend from the date of their allotment in terms of the Scheme with the existing Equity Shares of the Transferee Company. The holders of the equity shares of the Transferor Companies shall, save as expressly provided otherwise in this Scheme continue to enjoy their existing rights including





the right to receive dividends from the respective Transferor Companies, till the Effective Date. The holders of Equity Shares issued pursuant to the Scheme by the Transferee Company will not be entitled to receive the benefit of any dividends declared/ paid by the Transferee Company between the Appointed Date and Record Date.

- 24.8 The shares or the share certificates of the Transferor Company in relation to the equity shares held by their respective members shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and be of no effect on and from the Record Date.
- 24.9 The Transferee Company shall issue to the eligible shareholders of the Transferor Company, whose names appears on the register of members of the respective Transferor Companies on the Record Date, share certificates in respect of the shares to which they are entitled in accordance with the Scheme. The members shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that the Transferee Company shall issue and directly credit the dematerialized securities account of such member with the shares of the Transferee Company. It is clarified that each of the members holding shares in the Transferor Companies in dematerialised form shall be issued the shares of the Transferee Company in dematerialised form as per the records maintained by the depositories on the Record Date.
- 24.10 The Equity Shares of the Transferee Company issued in terms of the provisions of this Scheme above to the eligible members of the Transferor Company, shall subject to applicable laws, be listed and/ or admitted to trading on the relevant stock exchange(s), where the Equity Shares of the Transferee Company are listed and/or admitted to trading. The Transferee Company shall enter into such arrangement and issue such confirmations and/or undertakings as may be necessary in accordance with the applicable law or regulation for the above purpose.

**25. Accounting Treatment in the books of the Transferee Company**

Notwithstanding anything to the contrary, upon the Scheme becoming effective, the Transferee Company shall give effect to the accounting treatment in its books of account in accordance with "Indian Accounting Standard (Ind-AS)- 103 - Business Combination" and other applicable Ind-AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles as applicable on the Effective Date.



**26. Winding Up**

Upon the Scheme becoming effective, the Transferor Company shall without any further act, instrument or deed stand dissolved without being wound-up.

**27. Compliance with Section 2(1B) of the Income Tax and provisions of Section 232 of the Act**

The provisions of this Scheme as they relate to the Merger by absorption of the Transferor Company by the Transferee Company have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the Income tax Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section of the Income Tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income Tax Act, shall prevail and the provisions of this Part II of the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act. Such modification will, however, not affect the other parts of the Scheme.

**28. Combination of Authorised Share Capital**

23.1 As an integral part of the Scheme, and upon the coming into effect of the Scheme, the authorized share capital of the Transferor Company shall stand transferred to and be added with the authorized share capital of the Transferee Company without any liability for payment of any additional registration fees and stamp duty pursuant to the provisions of Sections 13, 14, 61 and Section 232(3) of the Act and no resolutions or consent and approvals would be required to be passed by the Transferee Company.

**PART III GENERAL TERMS AND CONDITIONS**

**29. Conditions to effectiveness of the Scheme**

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

29.1.1 Shareholder and Creditor approval: This Scheme being approved by the respective requisite majorities of the various classes of shareholders and/or creditors, as applicable, of FMNL and SSCPL as required under the Act, and as directed by NCLT or dispensation having been received from NCLT in relation to obtaining such consent from the shareholders and/or creditors, as applicable;



- 29.1.2 Stock Exchanges Approval. The Transferor Company shall have received observation letter or no-objection letter from BSE and NSE in respect of the Scheme under the SEBI Circular which shall be in form and substance acceptable to FMNL and SSCPL, each acting reasonably and in good faith;
- 29.1.3 NCLT Sanction: NCLT having accorded sanction to the Scheme and if any modifications have been prescribed the same being acceptable to FMNL and SSCPL;
- 29.1.4 Certified copies of the Order of NCLT sanctioning the Scheme being filed with the Registrar of Companies, Mumbai; and
- 29.1.5 Such other approvals and sanctions of any Appropriate Authority as may be required by law in respect of the Scheme.
30. In case any doubt or difference or issue shall arise between the Parties hereto or any of their Shareholders, creditors, employees and/or persons entitled to or claiming any right to any shares in the Transferor Company or Transferee Company as to the construction thereof or as to any account, valuation or apportionment to be taken or made of any asset or liability transferred to the Transferee Company or as to anything else contained in or relating to or arising out of this Scheme, the same shall be referred to arbitration. The arbitration proceedings shall be conducted in accordance with the Arbitration and Conciliation Act, 1996 and the award passed by the arbitrators shall be final and binding on all concerned.
31. In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Transferee Company and the Transferor Company and their respective shareholders and creditors and the terms and conditions of this Scheme, the latter shall prevail.
32. **Applications/Petitions to NCLT**

FMNL and SSCPL shall make and file all applications and petitions under Sections 230 to 232 of the Act before NCLT, for sanction of this Scheme under the provisions of law, and shall apply for such approvals as may be required under law.



**33. Dividend**

- 33.1 During the pendency of the Scheme, the Transferor Company and Transferee Company shall be entitled to declare and pay dividends, whether interim and/or final, to their members in respect of the accounting period prior to the Effective Date.
- 33.2 The shareholders of the Transferee Company, Transferor Company and Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.
- 33.3 Transferor Company and Transferee Company shall be entitled to declare dividend only out of disposable profit earned by the respective companies during the relevant financial year and shall not transfer any amount from the reserves for the purposes of payment of dividend.
- 33.4 The dividend shall be declared by Transferor Company and/or Transferee Company only by mutual agreement between the Board of Directors of the companies.
- 33.5 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, as applicable, shall be entirely at the discretion of the Board of Directors, subject to such approval of the members, as may be required.

34. Each of the Transferor Company and Transferee Company by their respective Boards of Directors or any committee thereof or any Director authorised in that behalf ( "Delegate") may together assent to, or make from time to time, any modifications or amendments or additions to this Scheme which NCLT or any Appropriate Authority may deem fit to approve of or impose and which the companies may in their discretion accept, or such modifications or amendments or additions as the companies or as the case may be, their respective Delegates deem fit, or require for the purpose of resolving any doubts or difficulties that may arise in carrying out the purpose of this Scheme and as approved by NCLT, and the companies by their respective Board of Directors or Delegates are authorised to do and execute all acts, deed, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions



(to the extent permissible under law) for bringing this Scheme into effect. The aforesaid powers of the companies may be exercised by the Delegate of the respective companies. It is clarified that any modification or amendment to the Scheme by the companies, after the sanction by NCLT, shall only be made with the prior consent of NCLT.

35. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Delegates (acting jointly) of the companies may give and are authorised to determine and give all such directions as are necessary including directions for settling or removing any question on doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

**36. Withdrawal of the Scheme**

36.1 The Transferor Company and /or the Transferee Company acting through their respective Board of Directors shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any NCLT/Appropriate Authority/person or otherwise is unacceptable to any of them or for any reason whatsoever.

36.2 In the case of withdrawal from the Scheme under clause 36.1, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company and Transferee Company and their respective shareholders, creditors, employees or any other person save and except in respect of any act or deed done prior thereto as contemplated in this Scheme or as to any right liability or obligation that has accrued or arisen pursuant thereto and which shall be governed, worked out and preserved as specifically provided in the Scheme or in accordance with Applicable Law.

**37. Severability**

Each provision or part of this Scheme is independent and is severable. Any failure of any one provision or part of this Scheme for lack of necessary approval from the shareholders/ creditors/ Appropriate Authorities or for any other reason that the Board of Directors may deem fit shall not result in the whole Scheme failing. It shall be open to the Board of Directors concerned to consent to sever such provision(s) or part(s) of the Scheme and implement the rest of the Scheme with such modification



**38. Costs**

38.1 In the event of the Scheme not being sanctioned by NCLT, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

38.2 Subject to Clause 38.1 above, all costs, charges and expenses (including, but not limited to, any Taxes and duties, stamp duty, registration charges) payable in relation to or in connection with the Scheme and or carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of the Scheme shall be borne and paid solely by FMNL.

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