



(CIN-L65923DL1985PLC195299)

January 23, 2021

The National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra-Kurla Complex
Bandra (E), Mumbai - 400051
(Symbol- CAPTRUST)

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai -400001
(Scrip Code-511505)

Dear Sir/Madam,

Sub: Filing under regulation 37 (6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

As informed to the exchange vide outcome of board meeting held on November 09, 2020, the board of directors had approved fast track merger of Capital Trust Housing Finance Private Limited (wholly owned subsidiary of Capital Trust Limited) into Capital Trust Limited.

We are hereby filing the draft scheme of fast track merger pursuant to Regulation 37 (6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for your consideration.

Thanking you,
Yours faithfully,

For **Capital Trust Limited**

A handwritten signature in blue ink, appearing to read "Tanya Sethi", is written over a faint, larger version of the same signature.

Tanya Sethi
Company Secretary

Contact no :9953437505

Email : cs@capitaltrust.in

Scheme of Amalgamation

Between

**Capital Trust Housing Finance Private Limited
(Amalgamating Company)**

And

**Capital Trust Limited
(Amalgamated Company)**

And

Their respective shareholders and creditors

(under sections 233 of the Companies Act, 2013)

Handwritten signature and circular stamp of Capital Trust Housing Finance Private Limited, New Delhi.

Handwritten signature and circular stamp of Capital Trust Limited, New Delhi.

Preamble

This scheme of amalgamation (*hereinafter referred to as “Scheme” and more particularly defined hereinafter*) is presented under the provisions of sections 233 and other relevant provisions of the Companies Act, 2013 (*hereinafter referred to as “Act” more particularly defined hereinafter*) as applicable, read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, for amalgamation of Capital Trust Housing Finance Private Limited (*hereinafter referred to as “Amalgamating Company”*) with and into Capital Trust Limited (*hereinafter referred to as “Amalgamated Company”*) with effect from the Appointed Date (*more particular defined hereinafter*). In addition to this, this Scheme also provides for various other matter consequential or otherwise integrally connected herewith.

1. BACKGROUND AND DESCRIPTION OF COMPANIES

- 1.1. Capital Trust Limited or Amalgamated Company is a Public Limited company incorporated under the provisions on Companies Act, 1956 (“1956 Act”) on 23rd August 1985 bearing corporate identification number (“CIN”) L65923DL1985PLC195299 and having its registered office in state of Delhi at 205, Centrum Mall, Sultanpur, MG Road New Delhi-110030. Permanent account number (“PAN”) of the Amalgamated Company is AAACC0188L. The company is a listed company, listed at the National Stock Exchange and the BSE.
- 1.2. Capital Trust Housing Finance Private Limited or the Amalgamating Company is a private limited company incorporated under the provisions on Companies Act, 1956 (“1956 Act”) on 23rd March 2017 bearing corporate identification number (“CIN”) U67200DL2017PTC314968 and having its registered office in state of Delhi at 205, Centrum Mall, Sultanpur, MG Road New Delhi-110030. Permanent account number (“PAN”) of the Amalgamated Company is AAGCC9096F.
- 1.3. The Amalgamated Company was incorporated as a private limited company in the name to ‘Capital Trust Housing Finance Private Limited’.



- 1.4. The Amalgamating company is wholly owned subsidiary of the Amalgamated Company.
- 1.5. The Amalgamating company is a private Limited Company and was planning to do the Housing Finance Business subject to approval of National Housing Bank. .
- 1.6. The Amalgamated company is a Non banking Finance Company registered with Reserve Bank of India.

2. RATIONALE FOR THE SCHEME

- 2.1. This Scheme envisages amalgamation/merger of Amalgamating company with and into Amalgamated Company resulting in consolidation of businesses thereby strengthening position of Amalgamated Company. It is intended that Amalgamated Company shall have sharper focus on underlying businesses with an aim of achieving operational efficiencies, stronger financials and growth prospects for the people and organization connected therewith. Accordingly, consolidation of businesses of the said companies would be in their best interests as well as their respective shareholders and other stakeholders.
- 2.2. The proposed amalgamation is also aimed at optimum and efficient utilization of capital, assets and facilities, reduction of overheads, administrative, managerial and other expenditure and bring about operational rationalization, efficiency and optimum utilization of various resources.
- 2.3. The proposed consolidation of Amalgamating Company with and into Amalgamated Company is aimed at maximizing shareholder value and to achieve higher long-term financial returns by Amalgamated Company.

3. Parts of the Scheme:

- 3.1. **Part A** deals with definition and share capital of the Company.
- 3.2. **Part B** deals with transfer and vesting of the entire undertakings of the Amalgamating Company with and into Amalgamated Company in accordance with section 233 of the Act and other applicable provisions of the Act.



- 3.3. **Part C** deals with the manner of issue of consideration against the present Scheme including swap ratio and the accounting methodology adopted for the amalgamation.
- 3.4. **Part D** deals with the miscellaneous provisions i.e. application/petition before the Regional Director and conditionality of scheme.

PART A

DEFINITIONS AND SHARE CAPITAL

4. DEFINITIONS

In this Scheme, unless inconsistent with the subject, the following expressions shall have the meanings respectively assigned against them:

- 4.1 “**Act**” means the Companies Act, 2013 and applicable rules made thereunder and includes any amendments, statutory re-enactments and modifications thereof for the time being in force;
- 4.2 “**Amalgamation**” means amalgamation of the Amalgamating Company with and into the Amalgamated Company on a going concern basis in terms of the Scheme (*as defined hereinafter*) in its present form or with any modification(s) as approved ;
- 4.3 “**Applicable Law(s)**” means any relevant statute, notification, by-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinances, schemes, notices, treaties, judgement, decree, approvals, orders or instructions enacted or issued or sanctioned by any Governmental and Registration Authority (*as defined hereinafter*), having the force of law and as applicable to the Company;
- 4.4 “**Appointed Date**” for purposes of this Scheme means 1st April, 2020.
- 4.5 “**Board of Directors**” or “**Board**” means and includes the respective Boards of Directors of the Amalgamating Company and the Amalgamated Company or any committee constituted by such Board of Directors for the purposes of the Scheme;



4.6 **“Effective Date”** shall be last of the dates on which certified copies of the order of the Regional Director (as defined hereinafter), under Section 233 of the Act, sanctioning this Scheme, is filed by the Company with Registrar of Companies (as defined hereinafter).

Provided that references in this Scheme to the date of “upon coming into effect of the Scheme” or “upon the scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date;

4.7 **“Governmental and Registration Authority”** means any relevant Central, State or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, quasi-judicial body, bureau or instrumentality thereof or arbitral body having jurisdiction over the Companies;

4.8 **“Intellectual Property Rights” or “IPR”** means, whether registered or not in the name of or recognized under Applicable Law(s) as being intellectual property of the Amalgamating Company, or in the nature of common law rights of the Amalgamating Company, all domestic and foreign (a) trademarks, service marks, brand names, internet domain names, websites, online web portals, trade names, logos, trade dress and all applications and registration for the foregoing, and all goodwill associated with the foregoing and symbolized by the foregoing; (b) confidential and proprietary information and trade secrets; (c) published and unpublished works of authorship, and copyrights therein, and registrations and applications therefor, if any, and all renewals, extensions, restorations and reversions thereof; (d) computer software, programs (including source code, object code, firmware, operating systems and specifications) and processes; (e) designs, drawings, sketches; (f) tools, databases, frameworks, customer data, proprietary information, knowledge, any other technology or know-how, licenses, software licenses and formulas; (g) ideas and all other intellectual property or proprietary rights; and (h) all rights in all of the foregoing provided by Applicable Law(s);

4.9 **“IT Act”** means the Income-Tax Act, 1961 and the rules made thereunder and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force;



- 4.10 **“Registrar of Companies”** or **“RoC”** means the Registrar of Companies, National Capital Territory of Delhi and Haryana situated at New Delhi;
- 4.11 **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this scheme of amalgamation amongst the Companies and their respective shareholders and creditors pursuant to the provisions of sections 233 and other applicable provisions of the Act in its present form or with any modification(s) made pursuant to the provisions of this Scheme by the Board of Directors of the Companies and/ or as approved or directed by the Regional Director, as the case may be;
- 4.12 **“Amalgamated Company”** shall have the meaning as ascribed to it in Clause 1.1 of this Scheme;
- 4.13 **“Amalgamating Company”** shall have the meaning as ascribed to it in Clause 1.2 of this Scheme;
- 4.14 **“Undertaking”** shall mean and include the whole of the industrial undertaking(s) of the Amalgamating Company, as a going concern, including its businesses (more elaborately described as Amalgamating Businesses), all secured and unsecured debts, liabilities, losses, duties and obligations and all the assets, properties, rights, titles and benefits, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to fixed assets, current assets, investments, funds, licenses, registrations, intangibles, leases, licenses, tenancy rights, premises, lending arrangements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, service connections, benefits of agreements, contracts and arrangements including but not limited to contracts entered into with vendors, customers and service providers, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, easements and all the right, title, interest, benefit and advantage, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, bank accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to credits in respect of income tax, sales tax, etc.), software license(s), intellectual property(ies), domain/websites, etc. in connection with/relating to the



Amalgamating Company and other claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Amalgamating Company, as on the Appointed Date.


5. INTERPRETATION

Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and if not defined therein then under the relevant Applicable Law(s). In this Scheme, unless the context otherwise requires:

- i. references to “persons” shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- ii. heading, sub-heading and bold typeface are only for convenience and shall not affect the construction or interpretation of this Scheme;
- iii. the term “Clause” refers to the specified clause of this Scheme;
- iv. references to one gender includes all genders;
- v. any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- vi. words in the singular shall include the plural and vice versa; and
- vii. reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time and any reference to a legal provision shall include any subordinate legislation made from time to time under such a statutory provision.

6. CAPITAL STRUCTURE OF THE COMPANIES

6.1 The share capital of the Companies as at March 31, 2020 is as under:



Company	Authorized Share Capital	Issued, Subscribed and Paid up Share Capital
Capital Trust Limited (Amalgamated Company)	Rs. 30,00,00,000/- (3,00,00,000 equity shares of Rs. 10/- each)	Rs. 16,36,14,150/- (1,63,61,415 equity shares of Rs. 10/- each)
Capital Trust Housing Finance Private Limited (Amalgamating Company)	Rs. 12,01,00,000/- (1,20,10,000 equity shares of Rs. 10/- each)	Rs. 10,51,00,000/- (1,05,10,000 equity shares of Rs. 10/- each)

Subsequent to March 31, 2020 and till the date of approval of this Scheme by the respective Board of the Companies, there is no change in the authorized, issued, subscribed and paid up share capital of the Amalgamating Company till the date of approval of this Scheme by the respective Board of the Companies.

- 6.2** It is expressly clarified that until this Scheme becomes effective, the Companies are free to alter their authorized, issued, subscribed or paid up share capital as may be required for their respective business requirements, subject to the necessary approvals from their respective Boards and shareholders, if required.

PART B

TRANSFER AND VESTING OF AMALGAMATING COMPANY WITH AND INTO THE AMALGAMATED COMPANY

7. TRANSFER AND VESTING OF ASSETS

- 7.1** Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme including in relation to the mode of transfer or vesting, the entire business and whole of the undertaking(s), all property(ies), being movable or immovable, tangible or intangible, belonging to



the Amalgamating Company including but not limited to properties, plant and equipment's, furniture and fixtures, land and building (*whether freehold, leasehold, leave and licensed, right of way, tenancies and/or otherwise*), if any, bank balances, bank accounts in the name of the Amalgamating Company, remittances in transit, bank deposits against bank guarantees, interest accrued on deposits, security deposits (*whether current or non-current*), capital advances, prepaid expenses, deferred costs (*whether current or non-current*), cash and cash equivalents, interest receivable, trade receivables (*including trade receivables from the related parties*), unbilled revenue (*including unbilled revenue from the related parties*), outstanding loans and advances (*short-term and long-term*), if any, recoverable in cash or in kind or for the value to be received including but not limited to loans and advances to suppliers, vendors, customers, staff, employees, others, balance with Governmental and Registration Authorities, prepaid expenses (*current and non-current*), fixed assets, inventories including goods in transit, finished goods, advances, advance income tax, income tax receivables, service tax credit receivables and refunds, deferred tax assets (*whether current and non-current*), Goods and Service Tax ("GST") credits and refunds, receivables, including refunds from Governmental and Registration Authorities, capital advances, trade receivables, accrued interest, other current and non-current assets, contribution to gratuity fund, permits, approvals, authorizations, telephone connections, telex, facsimile connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements that are in force on the Effective Date and all other interests, benefits, any other permits, approvals or authorizations under the applicable provisions of the Applicable Law(s), all past and present investments, if any, including but not limited to investment in the equity or preference shares of the subsidiary companies, investment in quoted and unquoted shares and other securities of all descriptions of any corporate, mutual funds etc., other assets such as computer software and hardware, routers, all types of furniture and fixtures, vehicles (*whether freehold or encumbered*), office equipment, all types of lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, consents, licenses, registrations, contracts, agreements, engagements, arrangements of all kind, rights, titles, interests, benefits, easements, if any, and privileges of whatsoever nature and wherever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Amalgamating Company (*hereinafter referred to as "Said*



Assets”) and all documents of titles, receipts and easements in relation thereto or improvement, all rights, covenants, continuing rights, titles and interest in connection with Said Assets shall, unless otherwise agreed between Amalgamating Company and Amalgamated Company specifically, be transferred to and stand vested in and/or be deemed to be transferred to and stand vested in Amalgamated Company in the mode and manner as prescribed in this Scheme on a going concern basis pursuant to provisions of sections 230 to 232 of the Act and all other applicable provisions of the Act and pursuant to the orders of the Regional Director or any other appropriate authority or forum, if any, sanctioning the Scheme, without any further act, instrument, deed, matter or thing so as to become on and from the Appointed Date, Said Assets of the Amalgamated Company.

- 7.2 Without prejudice to the above, in respect of the Said Assets of the Amalgamating Company, including cash and bank balances, as are movable in nature or incorporeal property or are otherwise capable of being transferred by delivery or possession or by endorsement and/or delivery, the same shall stand transferred to the Amalgamated Company upon coming into effect of this Scheme and shall upon such transfer become Said Assets of the Amalgamated Company with effect from the Appointed Date. In respect of any such assets, rights, titles and interests other than the Said Assets referred hereinabove, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Amalgamated Company pursuant to an order being made thereof by the Regional Director under section 233 of the Act.
- 7.3 Without prejudice to the above, the IPR and Said Assets of the Amalgamating Company, if any, belonging to the Amalgamating Company shall stand transferred to and vested and be deemed to be transferred to and vested in the name of the Amalgamated Company without any further act, instrument or deed. The Amalgamated Company, however, shall after the effectiveness of this Scheme, file the relevant intimations with the concerned Governmental and Registration Authorities in relation to Amalgamation, if required, who shall take them on record pursuant to the order of Regional Director.
- 7.4 Upon coming into effect of this Scheme and with effect from the Appointed Date, all statutory licenses including but not limited to permits, quotas, approvals,



permissions, clearances, incentives, consents and authorization orders and all other business certifications and all other registration certificates issued to the Amalgamating Company under the Applicable Law(s) including but not limited to Shops and Commercial Establishments Act of the respective states where the establishments of the Amalgamating Company are situated, Employees Provident Fund and Miscellaneous Provisions Act, 1952, Contract Labour (Regulations and Abolition) Act, 1970, Employees' State Insurance Corporation Act, 1948 and/or Gratuity Act, 1972 and pension and/or superannuation fund or benefits and any other funds or benefits created by the Amalgamating Company for the employees, any subsidies, concessions, grants, special reservations, rights, claims, leases, tenancy rights, liberties, benefits under applicable provisions of the IT Act, facilities of every kind and description of whatsoever nature and other benefits or privileges, if any (hereinafter referred to as "Said Rights and Interests"), enjoyed or conferred upon or held or availed of and all rights and benefits that have accrued or which may accrue to Amalgamating Company, shall, pursuant to the provisions of Section 232(4) of the Act and other applicable provisions of the Applicable Law(s), for the time being in force, without any further act, instrument or deed, upon the Scheme becoming effective, be and stand transferred to and vested in and/ or be deemed to have been transferred to and vested in and be available to the Amalgamated Company so as to become on and from the Appointed Date, Said Rights and Interests of the Amalgamating Company, effective and enforceable on the same terms and conditions to the extent permissible under the Applicable Law(s) for the time being in force and shall be duly and appropriately mutated or endorsed by the concerned Governmental and Registration Authorities therewith in favour of the Amalgamated Company.

8. TRANSFER AND VESTING OF LIABILITIES

8.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, all secured and unsecured liabilities, borrowings (*long-term and short-term*), including liabilities of every kind, nature and description, whatsoever and howsoever arising, whether present or future, including contractual liabilities, guarantees (*long-term and short term*), security deposits received, loans (*including loan from related parties which includes interest accrued*), contingent liabilities, non-trade payables, trade payables, retention money, payables for purchase of property, plant and equipment's, creditors of other fixed assets, letters of credit,



etc., if any, statutory liabilities/dues (*whether disputed or undisputed*), any kind of commitment or any other advances received (*whether disclosed or undisclosed*), duties, term loans from banks and financial institutions, book overdrafts, loan and advances (*whether long-term or short term*) from banks, customers, revenue received in advance, statutory dues payable, government dues for taxes, contribution to provident fund, labour welfare funds, trade payables (including dues from related parties), short terms borrowing from the related parties, supplier credits, dues of micro and small enterprises, staff and other creditors, dues of creditors other than micro and small enterprises, employee benefit payable, others employees costs, long term or short term provisions, advance from customers, provisions (*whether current or non-current*) including provisions for tax, gratuity, leaves benefits, expenses payable, deferred tax liabilities, taxes, GST payables and obligations of Amalgamating Company, other current and non-current liabilities, if any, along with any charge, encumbrance, lien or security thereon, if any, and those arising out of proceedings of any nature (*hereinafter referred to as “Said Liabilities”*) shall also be transferred to and vested in or be deemed to be transferred to and stand vested, without any further act, instrument or deed in the Amalgamated Company pursuant to provisions of Sections 230 to 232 of the Act and all other applicable provisions of Act and other Applicable Law(s) so as to become Said Liabilities of Amalgamated Company and further, it shall not be necessary to obtain separate consent of any third party or any person who is a party to any contract or arrangement by virtue of which such the Said Liabilities may have arisen and are to be transferred to the Amalgamated Company.

- a) All loans raised and utilized or incurred as part of the Said Liabilities, if any, by the Amalgamating Company anytime after the Appointed Date, but prior to the Effective Date, shall be deemed to be transferred to and vested with the Amalgamated Company without any further act or deed.
- b) The borrowing limits, if any, of the Amalgamated Company shall, without any further act or deed, stand enhanced by an amount being the aggregate of Said Liabilities of the Amalgamating Company which are being transferred to the Amalgamated Company pursuant to this Scheme and the Amalgamated Company shall not be required to pass any separate resolutions or comply with any provisions of the Act, in this regard.



- c) It is clarified that so far the Said Assets of the Amalgamating Company are concerned which have the security or charge, encumbrance or lien, if any, relating to securing the Said Liabilities or any other obligations of the Amalgamating Company, shall, without any further act or deed continue to relate to such Said Assets after the Effective Date in the name of the Amalgamated Company and shall not extend to any other assets of the Amalgamated Company. However, it is expressly clarified that any such security or charge or encumbrance or lien shall not be entered to as security in relation to any assets of the Amalgamated Company, save to the extent as may be guaranteed or warranted by the terms of the existing security arrangements to which the Amalgamating Company is a party and consistent with the joint obligations assumed by them under such arrangement or otherwise as may be agreed to by Board of the Amalgamated Company.
- d) Amalgamated Company, at its own cost, shall take all steps as may reasonably be necessary to enter into new or amended loan or security agreements or instruments and the like as may be necessary with the lender, such that the Amalgamated Company shall assume sole responsibility for repayment of borrowings.

8.2 With effect from the Effective Date and until such time the names of the bank accounts of the Amalgamating Company are replaced with that of the Amalgamated Company, the Amalgamated Company shall be entitled to operate the existing bank accounts of the Amalgamating Company, in so far, as may be necessary. The banks shall also allow and honour cheques or other bills issued in the name of the Amalgamating Company on and from the Effective Date.

8.3 Without prejudice to the other provisions of this Scheme and notwithstanding that vesting of movable and immovable properties of the Amalgamating Company with the Amalgamated Company occurs by virtue of this Scheme itself, the Amalgamated Company, at any time upon coming into effect of this Scheme, may execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement or memorandum of understanding to which the Amalgamating Company are parties, on the Effective Date, as may be necessary to be executed in order to give formal effect to the above provisions. The Amalgamated Company shall under the provisions of this Scheme and/or subject



to necessary approvals required under the Applicable Law(s) be deemed to be authorized to execute any such writings on behalf of the Amalgamating Company to carry out or perform all such formalities or compliance, referred to above.



9. TRANSFER OF PROFITS, INCOMES, LOSSES AND EXPENDITURE

9.1 All profits or incomes including interest on deposits with banks, interest income etc., accruing or arising to the Amalgamating Company or loss or expenditure (*including the effect of taxes, if any*) to the Amalgamating Company on and any time after the Appointed Date shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or loss or expenditure as the case may be of the Amalgamated Company.

9.2 Upon coming into effect of this Scheme and as per the provisions of Section 72A and other applicable provisions of the IT Act, all accumulated business and tax losses and unabsorbed depreciation of the Amalgamating Company shall be transferred to the Amalgamated Company. It is expressly clarified that all the accumulated business and tax losses and unabsorbed depreciation as are transferred, shall be eligible to be carried forward and set off in the hands of the Amalgamated Company in terms of the applicable provisions of the IT Act.

10. COMPLIANCE WITH IT ACT

10.1 This Scheme complies with the conditions relating to “amalgamation” as specified under Section 2(1B) of the IT Act. If any terms and provisions of this Scheme are found or interpreted to be inconsistent with the said provisions at a later date, including resulting from an amendment of Applicable Law(s) or for any other reason whatsoever, then the provisions of such amended Section(s) of the IT Act or any other Applicable Law(s) shall prevail and this Scheme shall stand modified to the extent determined necessary to comply with conditions contained in Section 2(1B) of the IT Act or any other Applicable Law, as may be amended from time to time. Such modification shall however not affect other parts of this Scheme.

11. LEGAL PROCEEDINGS

- 11.1 Upon coming into effect of this Scheme, all suits, actions and other proceedings including legal and taxation proceedings (*before any statutory or quasi-judicial authority or Regional Director or any court or arbitral body*), if any, by or against the Amalgamating Company pending and/or arising on or before the Effective Date shall be continued and/or be enforced by or against the Amalgamated Company as effectually and in the same manner and extent as if the same has been instituted and/or pending and/or arising by or against the Amalgamated Company.
- 11.2 It is expressly specified that the Amalgamated Company undertakes to have all legal or other proceedings initiated by or against the Amalgamating Company as referred above, be transferred to its name and shall have the same continued, prosecuted and enforced in its name.

12. INTER COMPANY TRANSACTIONS

Without prejudice to the above provisions, upon the Scheme becoming effective and with effect from the Appointed Date, all inter-company transactions, inter-se between the Amalgamating Company and the Amalgamated Company, including but not limited to:

- a) any loans, advances, investments (whether in equity shares or preference shares) and other obligations (*including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form*) which are due or outstanding or which may at any time in future; or
- b) any agreement/memorandum of understanding, executed amongst the aforesaid Companies which are due or outstanding or which may become due at any time in future,

shall stand cancelled as on the Effective Date and shall be of no effect and the Amalgamating Company and the Amalgamated Company shall have no further obligation outstanding in that behalf.



13. TREATMENT OF TAXES

- 13.1** Upon this Scheme becoming effective and with effect from the Appointed Date, all taxes, duties, cess payable by the Amalgamating Company (*including under the IT Act, Customs Act, 1962 or any other Applicable Laws*), accruing and relating to the Amalgamating Company from the Appointed Date onwards, including but not limited to advance tax payments, tax deducted at source (“TDS”), minimum alternate tax (“MAT”) any refund and interest due thereon on any credits, claims and exemptions shall, for all purposes be treated as advance tax payments, TDS, MAT, any refund and interest due on any such credits, claims and exemptions or refunds, as the case may be, of Amalgamated Company.
- 13.2** Upon the Scheme becoming effective, the Amalgamated Company is permitted to file or revise the returns of the Amalgamating Company including but not limiting to TDS return, sales tax/value added tax returns, service tax returns, GST returns and all other relevant returns filed with the Governmental and Registration Authorities for the period either prior to the Appointed Date and/or period commencing on and from the Appointed Date, to claim refunds and interest due, if any thereon, credits, exemptions pursuant to provisions of this Scheme, notwithstanding that the time period prescribed for filing/ revision of such return may have elapsed.
- 13.3** Upon this Scheme becoming effective, all unavailed credits, claims and exemptions, any refunds, interest due there on, benefit of carried forward losses and other statutory benefits, if any, in respect of income tax (*including but not limited to TDS, tax collected at source, advance tax, book and tax losses etc.*), cenvat, customs, value added tax, sales tax, service tax, GST etc. to which the Amalgamating Company is entitled to, prior to the period of the Appointed Date, shall be available to and vest in the Amalgamated Company, without any further act or deed.
- 13.4** TDS, service tax, GST, if any, deducted by and/or charged to the Amalgamated Company under the IT Act or any other statute for the time being in force, in respect of the payments made by the Amalgamated Company to the Amalgamating Company on account of inter-company transactions, assessable for



the period commencing from the Appointed Date shall be deemed to be the advance tax/ service tax/ GST etc. paid by the Amalgamated Company and credit for such advance tax/ service tax/ GST etc. shall be allowed to the Amalgamated Company notwithstanding that certificates or challans for advance tax/ service tax/ GST etc. being in the name of the Amalgamating Company and not in the name of the Amalgamated Company. Upon this Scheme becoming effective, the Amalgamated Company is permitted to file and/ or revise tax returns of the Amalgamating Company (*including but not limited to income tax returns, withholding tax returns, TDS certificates, sales tax returns, value added tax returns, service tax returns, GST returns and other tax returns*) for the period commencing on and from the Appointed Date, to claim refunds and interest due, if any thereon, credits, exemptions pursuant to provisions of this Scheme, notwithstanding that the time period prescribed for filing/ revision of such return may have elapsed.

- 13.5** Without prejudice to the generality of aforesaid, any concessional or statutory forms under applicable tax laws, or local levies issued or received by the Amalgamating Company, if any, in respect of period commencing from the Appointed Date shall be deemed to be issued or received in the name of the Amalgamated Company and benefit of such forms shall be allowable to the Amalgamated Company in the same manner and to the same extent as would have been available to the Amalgamating Company.
- 13.6** The Amalgamated Company shall file the relevant intimations, if required under the Applicable Law(s), at its own cost, for the record of concerned Governmental and Registration Authorities who shall take them on file. The Amalgamated Company shall be deemed to be authorized to execute any such writings on behalf of the Amalgamating Company in order to carry out or perform all such formalities or compliance referred to above on part of the Amalgamating Company.
- 13.7** All the expenses incurred by the Companies in relation to the Amalgamation as per the terms and conditions of this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Amalgamated Company in accordance with Section 35DD of the IT Act over a period of 5 years beginning with the previous year in which this Scheme becomes effective.



13.8 Any refund under the tax laws due to the Amalgamating Company consequent to the assessments made on the Amalgamating Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall belong to and be received by the Amalgamated Company. The concerned Governmental and Registration Authorities shall be bound to transfer to the account of and give credit for the same to the Amalgamated Company upon the passing of the orders on this Scheme by the Regional Director upon relevant proof and documents being provided to the said authorities.

14. EMPLOYEES

14.1 Upon coming into effect of this Scheme:

- a) All staff, workmen and employees who are in employment of the Amalgamating Company on the Effective Date shall become the staff, workmen and employees of the Amalgamated Company with effect from the Appointed Date on the basis that:
 - (i) their employment shall be deemed to have been continuous and not interrupted by reasons of the said transfer; and
 - (ii) the terms and conditions of their employment after such transfer shall not in any way be less favourable to them than those applicable to them immediately preceding the said transfer.
- b) It is expressly provided that as far as provident fund, employee state insurance plan scheme, gratuity scheme/trusts, leave encashment, superannuation scheme, compensated absences, unavailed leave scheme or any other special scheme(s) or fund(s) or trust(s), provisions for benefits created or existing, if any, for benefit of staff / workmen / employees of the Amalgamating Company are concerned, upon coming into effect of the Scheme, the Amalgamated Company shall stand substituted for all the Amalgamating Company for all purposes whatsoever, related to the administration or operation of such scheme(s) or fund(s) or trust(s) and intent that all rights, duties, powers and obligation(s) of the Amalgamating



Company in relation to such scheme(s) or fund(s) or trust(s) shall become those of the Amalgamated Company. It is clarified that the employment of employees of the Amalgamating Company will be treated as having been continuous for the purpose of the aforesaid scheme(s) or fund(s) or trust(s) including for the purposes of payment of any retrenchment compensation and other terminal benefits. The Amalgamated Company shall file relevant intimations with the concerned Governmental and Registration Authorities who shall take the same on record and endorse the name of the Amalgamated Company for the Amalgamating Company. Upon this Scheme becoming effective, all contributions to such scheme(s) or fund(s) or trust(s) created or existing for the benefit of such employees of the Amalgamating Company shall be made by the Amalgamated Company in accordance with the provisions of such scheme(s) or fund(s) or trust(s) and Applicable Law(s).

15. CONTRACTS, DEEDS, RESOLUTIONS, ETC.

- 15.1** Subject to other provisions contained in this Scheme, all contracts, deeds, understandings, bonds, guarantees, agreements, instruments and writings and benefits of whatsoever nature, if any, to which any of the Amalgamating Company are a party and are subsisting or having effect on the Effective Date, shall remain in full force and effect against or in favour of the Amalgamated Company and may be enforced by or against the Amalgamated Company as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party thereto or beneficiary or obligee thereto or thereunder.
- 15.2** Without prejudice to the generality of the foregoing, it is clarified that upon this Scheme becoming effective and with effect from the Appointed Date, all consents, agreements, permissions, all statutory or regulatory licences, certificates, insurance covers, clearances, authorities, power of attorney given by, issued to or executed in favour of the Amalgamating Company or any instrument of whatsoever nature including various incentives, subsidies, schemes, special status and other benefits or privileges enjoyed or availed by any of the Amalgamating Company, granted by any Governmental or Registration Authorities, or by any other person, shall stand transferred to the Amalgamated Company as if the same were originally given by, issued to or executed in favour of the Amalgamated Company and the Amalgamated Company shall be bound by the terms thereof,

the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company.

15.3 All resolutions of the Amalgamating Company which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Amalgamated Company and if any such resolutions have any upper monetary or any other limits imposed under provisions of the Act, then the said limits shall apply mutatis mutandis to such resolutions and shall constitute the aggregate of the said limits in the Amalgamated Company.

16. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

16.1 With effect from the Appointed Date and up to and including the Effective Date, the Amalgamating Company shall be deemed to carry on all their businesses and other incidental matters for and on account of and in trust for the Amalgamated Company with reasonable diligence and due business prudence in the same manner as carried before and shall not without the prior written consent of the Amalgamated Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose of any of such Said Assets or such Said Rights and Interests or IPR and their business undertaking(s) or any part thereof, save and except in each case:

- a) If it is in the ordinary course of business of the Amalgamating Company;
- or
- b) If the same is expressly permitted by this Scheme.

17. SAVING OF CONCLUDED TRANSACTION

17.1 Where any of the Said Liabilities of the Amalgamating Company, as on the Appointed Date, transferred to the Amalgamated Company have been discharged by the Amalgamating Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Amalgamated Company.

17.2 Without prejudice to anything mentioned above or anything contained in this Scheme, transfer and vesting of all business undertakings of the Amalgamating Company as per this Scheme shall not affect any transactions or proceedings

already concluded by the Amalgamating Company on or before the Appointed Date or after the Appointed Date till the Effective Date, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds, matters and things made, done and executed by the Amalgamating Company as acts, deeds, matters and things made, done and executed by or on behalf of the Amalgamated Company.

- 17.3** All the Said Liabilities, incurred or undertaken by the Amalgamating Company after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Amalgamated Company to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and pursuant to provisions of Section 232 and any other applicable provisions of the Act, shall without any further act, instrument or deed be and stand transferred to and/or vested in and/ or be deemed to have been transferred to and vested in the Amalgamated Company and shall become Said Liabilities of the Amalgamated Company.

PART C

CONSIDERATION FOR AMALGAMATION AND CLUBBING OF AUTHORIZED SHARE CAPITAL

18. CONSIDERATION

The entire issued, subscribed and paid-up share capital (i.e, both equity and preference shares) of the Amalgamating Company is held directly/ indirectly by the Amalgamated Company and its nominees. Upon approval of this Scheme by the Regional Director, no shares of the Amalgamated Company shall be issued or allotted in lieu of its holding in the Amalgamating Company, and the Paid up share capital of the Amalgamating Company shall stand cancelled and extinguished. Consequently due to nil consideration, there shall not be any stamp duty payable. The investments in the shares of the Amalgamating Company, appearing in the books of account of Amalgamated Company or its subsidiary shall without any further act or deed, shall stand cancelled.



19. CONSOLIDATION OF AUTHORIZED CAPITAL OF THE AMALGAMATING COMPANY WITH THE AUTHORISED CAPITAL OF THE AMALGAMATED COMPANY

- 19.1 Upon approval of this Scheme, the authorized share capital of the Amalgamated Company shall automatically stand increased without any further act, instrument or deed, by the authorized share capital of the Amalgamating Company amounting to Rs. 12,01,00,000 (Rs. Twelve Crore and One Lakh only), resulting in aggregate authorised capital of Amalgamated Company to Rs.42,01,00,000 (Rupees Forty Two Crore One lakh only) comprising 4,20,10,000 (Four Crore Twenty Lakh Ten Thousand only) equity shares of Rs. 10/- (Rupee Ten only) each.
- 19.2 The Amalgamated Company shall file necessary application with the ROC along with the Scheme as sanctioned, indicating the revised authorized share capital and pay the prescribed fee due on such increase in authorized share capital after claiming set off of fee already paid by the Amalgamating Company on their authorized share capital as per Section 232(3)(i) read with Section 233(11) and 233(12) of the Act. It is further clarified that the Amalgamated Company shall not be required to pay any other additional fees (*including fee payable to ROC except as may be required as per the applicable provisions of the Act*) or stamp duty or any other charges under any Applicable Law(s) for time being in force.
- 19.3 Consequent to transfer of the existing authorized share capital of the Amalgamating Company on the Effective Date in accordance with the aforementioned, Clause V of the memorandum of association of the Amalgamated Company shall be substituted as necessary.
- 19.4 It is hereby clarified that the consent of shareholders of the Amalgamated Company to the Scheme shall be sufficient for purposes of effecting the amendment in the memorandum of association and articles of association of the Amalgamated Company and that no further resolution under Sections 13, 14 and 61 of the Act and any other applicable provisions of the Act would be required to be separately passed, nor any additional registration fee etc. be payable by the Amalgamated Company. However, the Amalgamated Company shall file the amended copy of its memorandum of association and articles of association with

the ROC within a period of 30 (*Thirty*) days from Effective Date and the ROC shall take the same on record.

PART D

ACCOUNTING TREATMENT FOR AMALGAMATION

20. ACCOUNTING TREATMENT FOR AMALGAMATION

Upon the coming into effect of this Scheme, the Amalgamation of the Amalgamating Company with the Amalgamated Company shall be accounted for as per 'Pooling of Interest Method' provided under the "Accounting Standard (AS) 14 on Accounting for Amalgamation" prescribed under Section 133 of the Act, as notified under the Companies (Accounting Standard) Rules, 2006, as may be amended from time to time such that:

- 20.1** The Amalgamated Company shall record all the assets and liabilities, including reserves of the Amalgamating Company vested in it pursuant to this Scheme, at their respective book values as appearing in the books of the Amalgamating Company on the Appointed Date. With effect from the Appointed Date, the profit and loss account or reserves, if any, as appearing in the books of the Amalgamating Company shall become the profit and loss account or reserves, if any, of the Amalgamated Company and shall be recorded by the Amalgamated Company at respective book values.
- 20.2** Any inter-se investment held by the Amalgamated Company in the Amalgamating Company, shall automatically get cancelled.
- 20.3** The loans and advance or payables or receivables of any kind, held inter-se, if any between the Amalgamating Company and the Amalgamated Company, as appearing in their respective books of accounts shall stand discharged.
- 20.4** The Amalgamated Company shall record in its books of accounts, all transactions of the Amalgamating Company in respect of Said Assets and Said Liabilities, income and expenses, from the Appointed Date to the Effective Date.




- 20.5** The net assets of the Amalgamating Company acquired would be adjusted in the capital reserves of the Amalgamated Company. Also, the difference, if any arising from the cancellation of inter-se investments or adjustment in the value of investments of the Amalgamated Company in terms of clause 20.2 of this Scheme shall also be adjusted in the capital reserves of the Amalgamated Company.
- 20.6** If at the time of amalgamation, the Amalgamating Company and the Amalgamated Company have conflicting accounting policies, a uniform accounting policy shall be adopted by the Amalgamated Company following the Amalgamation. The effects on the financial statements of any changes in accounting policies should be reported in accordance with the applicable accounting standards.

PART E

MISCELLANEOUS PROVISIONS AND CONDITIONALITY OF THE SCHEME

21. DISSOLUTION OF AMALGAMATING COMPANY

Pursuant to the Scheme becoming effective, all the Amalgamating Company shall, without any further act or deed, shall stand dissolved without winding up.

22. APPLICATION TO THE REGIONAL DIRECTOR

The Companies shall, with all reasonable documents/ annexures dispatch, make necessary applications/petitions under Sections 233 of the Act and other applicable provisions of the Act to the Regional Director for seeking sanction of this Scheme.

23. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 23.1** Subject to approval by the Regional Director, the Board of each of the Companies may assent to any modifications/ amendments including withdrawal/ termination of the Scheme or to any other conditions or limitations that the Regional Director or any Governmental and Registration Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by their

respective Boards. Each of the Companies shall authorize their respective Boards to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of the Regional Director or any Governmental and Registration Authority of any other competent authority or otherwise howsoever arising out of or by virtue of the Scheme and/or to give effect to and to implement the Scheme, in part or in whole, and/or any matter concerned or connected therewith.

- 23.2** Further, it is clarified that the initial consent of the shareholders and creditors (both secured and unsecured) of the Companies to this Scheme shall in itself be deemed to be sufficient to authorize the operation of the above mentioned clause of this Scheme and any subsequent alteration would not require a fresh note of consent from such shareholders and creditors.

24. CONDITIONALITY OF THE SCHEME

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

- 24.1** The approval of the Scheme by the respective requisite majorities in number and value of the shareholders and/or creditors (where applicable) of the Companies in accordance with Sections 233 of the Act;
- 24.2** The Scheme being sanctioned by the Regional Director in terms of Sections 233 and other relevant provisions of the Act and the requisite orders of the Regional Director; and
- 24.3** Certified copies of the order of the Regional Director sanctioning this Scheme being filed with the ROC by the Amalgamating Company and the Amalgamated Company as per the provisions of the Act.

25. EFFECT OF NON-RECEIPT OF APPROVALS

- 25.1** In the event of any of the said sanctions and approvals referred in the Scheme not being obtained and/or complied with and/or satisfied, 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



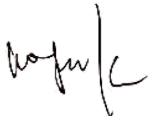

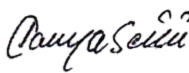

liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

25.2 In the event of revocation of the Scheme, no rights and liabilities whatsoever shall accrue to or be incurred inter se to the Amalgamating Company and the Amalgamated Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the applicable laws and in such case, each company shall bear its own costs unless otherwise mutually agreed.

25.3 The Board of Directors of the Amalgamating Company and the Amalgamated Company shall be entitled to withdraw this Scheme prior to the Effective Date.

26. COSTS, CHARGES AND EXPENSES

26.1 All costs, charges, taxes including duties, levies and all other expenses, if any (*save as expressly provided*) of the Amalgamating Company and the Amalgamated Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the Amalgamated Company.

<p>For Capital Trust Housing Finance</p> <p>Private limited</p> <p></p> <p></p> <p>Authorised Signatory</p>	<p>For Capital Trust Limited</p> <p></p> <p></p> <p>Authorised Signatory</p>
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