Magma Fincorp Limited
Regd. Office
Magma House
24 Park Street, Kalkata 700 016
Tel : 91 33 4401 7350 / 7200
Fax : 91 33 4401 7313
CIN : L51504WB1978PLC031813
Web : www.magma.co.in

MAGMA
Investing in the smallest dream

18 January 2018

Corporate Relationship Department,
BSE Limited
25th Floor, P. J. Towers, Dalai Street, Fort,
Mumbai — 400 001

Company Code - 524000

The Manager,
Listing Department,
National Stock Exchange of India Limited
"Exchange Plaza",
Bandra-Kurla Complex, Bandra (E),
Mumbai —400 051

Symbol - MAGMA

Sub: Merger of Magma Advisory Services Limited (MASL) with Magma Fincorp Limited ("the Company")

Ref: Regulation 30 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

With reference to our earlier letter dated 23 June 2017 on the captioned subject, this is to inform you that the Central Government through Regional Director, Eastern Region, Ministry of Corporate Affairs has passed a Confirmation Order dated 15 January 2018 pursuant to the provisions of Section 233 of the Companies Act, 2013 approving the merger of Magma Advisory Services Limited (MASL) (Wholly Owned Subsidiary of the Company) with Magma Fincorp Limited ("the Company"). By virtue of the said merger, Magma Housing Finance Limited (earlier a Wholly Owned Subsidiary of MASL and Step down Subsidiary of the Company) has now become a direct wholly owned subsidiary of the Company. The said merger will have no effect on the management and shareholding pattern of the Company.

Enclosing herewith a copy of the Confirmation Order dated 15 January 2018 as received from the Regional Director, Eastern Region, Ministry of Corporate Affairs for your reference. You are requested to take note of the same.

Thanking you,
Yours faithfully,
For Magma Fincorp Limited

Shabnum Zaman
Company Secretary
ACS:13918

FORM NO. CAA. 12

[Pursuant to Section 233 Companies Act, 2013 and Rule 25(5) of Companies (Compromise, Arrangement & Amalgamations) Rules, 2016]

CONFIRMATION ORDER OF SCHEME OF AMALGAMATION BETWEEN M/s MAGMA ADVISORY SERVICES LIMITED AND M/s MAGMA FINCORP LIMITED

Pursuant to the provision of Section 233 of the Companies Act, 2013, the Scheme of compromise, arrangement or merger for transfer of M/s Magma Advisory Services Limited (Transferor company) to M/s Magma Fincorp Limited (Transferee company) approved by their respective members and creditors as required under section 233(1)(b) and (d) of the Companies Act, 2013 is hereby confirmed and the scheme shall be effective from the date of this confirmation.

A copy of the approved scheme is attached to this order.

Date: This 15th day of January, 2018
Place: Kolkata

(Alok Samantarai)
Regional Director(ER)

Copy to:
No.: RD/T/26456/S-233/17/ 15014 **Date: 15/01/2018**

1. M/s Magma Fincorp Limited (Transferee Company)
   Magma House, 24 Park Street,
   Kolkata – 700 016

2. M/s Magma Advisory Services Limited (Transferor Company)
   Magma Hpuse, 24 Park Street,
   Kolkata – 700 016

3. The Registrar of Companies, West Bengal, Kolkata with reference to his letter No. ROC/LEGAL/233/2017/589 dated 09.11.2017 for information and necessary action.

4. The Official Liquidator, High Court, Calcutta with reference to his letter No. OL/Amalg/14/2017/3408/G dated 04.10.2017 for information.



Certified To Be True Copy
For MAGMA FINCORP LIMITED

Company Secretary

SCHEME OF MERGER

UNDER SECTION 230 READ WITH SECTION 233 OF THE COMPANIES ACT, 2013

BETWEEN

MAGMA ADVISORY SERVICES LIMITED (TRANSFEROR COMPANY)

WITH

MAGMA FINCORP LIMITED (TRANSFEREE COMPANY)

PREAMBLE

1. The Scheme of Merger (hereinafter referred to as the "Scheme") is presented under section 230, read with section 233 of the Companies Act, 2013 ("Act"), and such other provisions of law as may be applicable, and the Companies (Compromise, Arrangements and Amalgamation) Rules, 2016 or other applicable rules, and provides for the merger of Magma Advisory Services Limited ("MASL") hereinafter referred to as 'Transferor Company' into Magma Fincorp Limited ("MFL" or "the Transferee Company").

2. MASL is a public limited company incorporated on 21 May, 2012, under the provisions of the Companies Act, 1956 having CIN: U74999WB2012PLC181922 and having its registered office at Magma House, 24 Park Street, Kolkata-700016, West Bengal.

3. MASL was incorporated as a wholly owned subsidiary of MFL. The main objects as stated in its Memorandum of Association are as follows:

   a. *To act as service provider of all kinds of services either by its own resources or by outsourcing including but not limited to providing manpower services, advisory services, annual maintenance contracts, marketing, market research and analysis, marketing support, market planning services to other organizations, training, customer forecasting & statistical analysis, tracking of customers spending pattern, understanding customer needs, compiling customer database etc;*

   b. *To carry on business as advisers and /or consultants on matters relating to the industries, administration, management, organization, accountancy, costing, financial, marketing, import, export, commercial or economic activities, labour,*

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statistical organization, methods, quality control and data processing, technical know-how, operations, manufacture, production, storage, distribution, sale and purchase of goods, property and other activities of and in relation to any business, trade, commerce, industry, mine and agriculture upon the means, methods and procedures for the establishment, construction, development, improvement and expansion of business, trade, commerce, industry, agriculture, building, plant or machineries and or systems, methods, techniques process, principles in relation to the forgoing and to carry on business of rendering services on any one or more of aforesaid and allied matters aforesaid.

4. MFL is a listed public limited company incorporated on December, 1978, under the provisions of the Companies Act, 1956 having CIN: L51504WB1978PLC031813 and having its registered office at Magma House, 24 Park Street, Kolkata-700016, West Bengal. The Company is registered with the Reserve Bank of India as a systemically important non-deposit taking Non-Banking Financial Company under section 45-IA of the Reserve Bank of India Act, 1934.

5. MFL considers its total experience in financing business to be more than 25 years i.e. from 1988 onwards. Over the past 25 years, MFL has grown from a lease financing company to one of the leading retail financing NBFCs in India with diversified portfolio of products which currently include vehicle finance, construction equipment finance, MSME finance and loan against property serving predominantly the underserved and the under-banked sections of the population. The main object of the Company as stated in its Memorandum of Association are as follows:

   a. *To carry on business as agents, importers, exporters, dealers, traders, stockists, brokers, buyers, sellers, manufacturers, repairers, assemblers or hirers of *(all movables, immovables, items articles, commodities including industrial consumable, domestic and agricultural products etc.) plants, machinery, equipments, accessories or raw materials required by industries, workshops, transporters, railways or for agricultural, plantations, handling, excavation, domestic, fabrication, or irrigation purposes and to acquire, construct, hire, decorate, maintain or own land, workshops, factories, shops, show rooms, office, rights or agencies required for or in connection with any such business.*

   b. *To acquire by purchase, lease, exchange, hire or otherwise develop or operate land, buildings and hereditament of any tenure or description including agricultural land, mines, quarries, tea or coffee gardens, farms, gardens, orchards, groves, plantations and any estate or interest therein, and any right over of connected with land and buildings so situated and develop or to turn the same to account as may seem expedient and in particular by preparing building sites and by constructing, reconstructing, altering, improving, decorating, furnishing and maintaining hotels, rooms, flats, houses, restaurants, markets, shops, workshops, mills, factories, warehouses, cold storages, wharves, godowns, offices, hostels, gardens, swimming pools, play-grounds, buildings works and*

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conveniences of all kinds and by leasing, hiring or disposing of the same, and to manage land, building and other properties, whether belonging to the Company or not, and to collect rents and income, and to supply tenants and occupiers and others refreshments, attendance, light, waiting rooms, reading rooms, meeting rooms, electric conveniences and other advantages.

c. Subject to i.e. provisions of Sections 58A or the Act, to act as investors, guarantors, underwriters, financiers and, to lend (whether on security or otherwise), invest or deal with the money either with or without interest or security, including in current or deposit account with any Bank or Banks, other person or persons upon such terms, conditions and manner as may from time to time be determined and to receive money on deposit or loans upon such terms and conditions as the Company may approve subject to the provisions of the Companies Act, provided the Company shall not do any banking business as defined under the Banking Regulation Act, 1949.

d. To carry on business as timber saw mill proprietors and timber growers, and to buy, sell, grow, prepare for market, manipulate, impart, export and deal in timber, teak, ply-wood, fire wood and wood at all kinds and to manufacture and deal in articles of all kinds in the manufacture of which timber, ply-wood or other wood is used and to buy, clear, plant and work timber estates.

e. To carry on business as manufacturers, producers, dealers, traders, importers, stockists, distributors, or agents of GLS lamps, electric bulbs, miniature bulbs, tube lights, flood lights, flash lights, mercury vapour bulbs, and other type or types of bulbs, lamps or tubes required or used for lighting or for industrial, domestic, electronics, transport vehicles or commercial purposes and glass, shells, fittings, tubes, filaments, tungsten and molybdenum wires, caps and other materials, machineries, accessories and spares required or used for manufacture of bulbs, lamps or tubes.

f. To undertake and carry on the business of equipment leasing, hiring/ hire purchase, asset based finance of all kinds including granting of loans to various persons, including to individuals, Hindu Undivided Families, partnership firms, bodies corporate, co-operative societies, associations or persons, trusts and unincorporated associations for the purchase of equipment, machinery, vehicles and other assets and import leasing and to give on lease or on leave and licence basis or in any other manner all types of equipments, property and assets including land and building, all kinds of goods, articles or things including vehicles to transport human beings, livestock, cargo on land, sea and air whether experimental or otherwise, all electrical and electronic equipment, office-equipment, furniture, computers, satellites or any other capital equipment whether moveable or immoveable, to act as lease brokers, managers of lease portfolios and to act as general financiers whether on security or otherwise, and to undertake /participate in / share in the risks associated with such activity, if any.

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g. To carry on the business of merchant banking in all its aspects, to act as managers to the issues and offers, whether by way of public offer or otherwise, of shares, stocks, debentures, bonds, units, participation certificates, deposit certificates, notes, bills, warrants, or any other instruments whether or not transferable or negotiable, commercial or other paper or scrips (hereinafter collectively referred to as the 'securities'), to act as agents of and or dealers in the securities in the course of merchant banking business, to act as discount house for any of the securities, to act as financial consultants, advisers and counsellors in investment and capital markets, to underwrite, sub-underwrite or to provide stand by or procurement arrangements, to issue guarantees or to give any other commitments for subscription for the securities to manage portfolio investments, to provide financial and investment assistance for the Purposes herein, to act as an issue house, registrars to issue, transfer agents, for the securities, to manage and administer computer centres and clearing houses for the securities, to form syndicates or consortia of managers, agents and purchasers for or of any of the securities, to act as brokers, dealers and agents of or in connection with the securities, bullions and precious metals, to syndicate any financial arrangements whether in domestic market or on international market and whether by way of loan, guarantees and export credits; to undertake the work of factoring of bills and other commercial papers, and to , arrange and/or co-ordinate documentation and negotiation in this regard.

h. To give advice on or to offer, give, take, circulate and/or otherwise organise, accept or implement any takeover bids, amalgamations, acquisitions, diversification, rehabilitation or restructuring of any business, concern, undertaking, company, body corporate, partnership firm or any other association of persons whether incorporated or not, by acquisitions of shares or assets and liabilities, and whether as a going concern or as a part of the concern or otherwise as may be required having regard to the business exigencies, and to promote, procure, incorporate, form or set up concerns and undertakings whether as company, body corporate, partnership or any other association of persons for engaging in any industrial, commercial or business activities.

i. To carry on the business of portfolio investment and managing the funds of the investors by investment in. various avenues like Growth Fund, Income Fund, Risk Fund, Tax Exempt Funds, Pension/Superannuation Funds and to pass on the benefits of portfolio investment to the investors as dividend, bonus, interest and to provide a complete range of personal financial services like investment planning, estate planning, tax planning, portfolio investment, consultancy/counselling services and facilities of every description capable of being provided by investment fund manager and to act as managers to the Issue of any securities and to promote form and mobilise capital.

j. To setup, incorporate, manage, provide and/or participate in providing venture capital, technology fund, underwriting fund, or any other fund for seed capital, risk capital foundation, including giving guarantee or such other financial

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assistance as may be conductive for development of new enterprises, innovative methods of production and development of existing and new technology, to identify projects, project ideas, to prepare project profiles, project reports, market research, feasibility studies and reports, pre-investment studies and investigation of industries on micro and macro level, to undertake appropriate service to identify scope or potential for economic and industrial development in any particular geographical area of location whether in India or abroad, to act as Lead Managers in respect of project assignments by undertaking follow up, supervision, and coordination work at the instance, behest or on behalf, of banks, financial institutions, companies, bodies corporate and to monitor the same to the satisfaction, of the management, to act as advisor in the management of the undertakings, business enterprises, offices, trade occupations and professions by introducing modern techniques and systems and render all assistance as may be considered necessary including with regard to foreign collaboration, economic size, sources of plant and machinery and other utilities for business entrepreneurs, to undertake the services of project monitoring, project counselling and all allied activities.

k. *To carry on the business of power generation through conventional, non-conventional, and renewable sources including the establishment of thermal power plant, hydro - electric power plant, nuclear power plant, wind power plant, solar power plant and such other power plants based on any conventional, non-conventional and renewable source of energy as may be developed or invented, or by the installation / purchase or hiring or financing of Wind Turbine Generator, Wind Electric Generator or any other type of Generators, equipments, plants and machineries and to generate, receive, transmit, sell, use, distribute, produce and supply power and all forms of energy including in all of its' derivative forms and to act as agents, representatives, consultants, collaborators, producers, distributors, sellers, buyers, financiers and dealers in all forms of power and energy including in all its' derivative forms.*

l. *To undertake and carry on the business of servicers of loans and other facilities, purchasing or acquiring and or assigning, selling, conveying, transferring and disposing of, by any means including securitization, the receivables arising out of loans (whether secured or unsecured), standard or non-performing assets and / or the lease rentals and hire charges from the leasing or hire of equipment, machinery, vehicles and other assets (whether standard or non performing) including any underlying securities (where applicable) therewith and to undertake /participate in / share in the risks associated with such activity, if any.*

m. *To set up a securitization or an asset reconstruction company and undertake and carry on the business of servicers of non-performing assets, purchasing or acquiring and or assigning, selling, conveying, transferring and disposing of, by any means including by issuing or acquiring security receipts, the receivables arising out of such assets (whether secured or unsecured), including any underlying securities (where applicable) therewith, disposing off the underlying*

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security (where applicable) and to undertake / participate in/ share in the risks associated with such activity, if any.

n. *To carry on the business of a corporate agent, for an Indian insurance company or an insurance co-operative society [as defined under the Insurance Regulatory and Development Authority Act, 1999, (as amended from time to time)] whether carrying on general insurance business and / or life insurance business, including companies owned by the Central Government or State Governments or Government Corporations, by soliciting and procuring insurance business including business relating to procuring, continuance, renewal or revival of policies of insurance or by providing any other facilities including infrastructure facilities as may be required by such Indian insurance companies or insurance co-operative societies, subject to receiving of requisite approvals from the Insurance Regulation & Development Authority under the Insurance Regulatory and Development Authority (Licensing of Corporate Agents) Regulations 2002, as amended from time to time.*

6. This Scheme provides for the merger of the Transferor Company with the Transferee Company and the consequent treatment of assets and liabilities of respective Companies in the manner provided for in the Scheme.

7. As on 31st March, 2017, the entire issued, subscribed and paid up share capital of the Transferor Company is held by the Transferee Company and its nominees.

8. The Transferor Company is currently holding the entire issued, subscribed and paid up capital of Magma Housing Finance Limited [Formerly Magma Housing Finance (A Public Company with Unlimited Liability)] (hereinafter Magma Housing Finance), therefore, Magma Housing Finance is, indirectly the wholly owned subsidiary of the Transferee Company. In addition to the above, the Transferor Company was also engaged in the business of providing services with respect to manpower management, however, the Company is not carrying out business of manpower management since the last quarter.

9. The Transferee Company as the parent would like to integrate and consolidate its subsidiary. The circumstances that justify the proposed Scheme and its main benefits are, *inter-alia*, summarised as under:

   (i). To achieve greater integration and greater financial strength and flexibility, to maximise overall shareholder value.

   (ii). To achieve cost savings from more focused operational efforts, rationalisation, standardisation and simplification of business processes, productivity improvements and rationalization of administrative expenses.

   (iii). The consolidation of activities of the Transferor Company and the Transferee Company by way of merger will lead to operational synergies, greater productivity and economical operations for future growth of the Transferee Company.

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(iv). Magma Housing Finance, currently a step-down subsidiary of the Transferee Company, will become direct subsidiary, leading to improvement in corporate governance and control over the said Company.

(v). The merger will provide for pooling of the managerial, technical and financial resources of the Transferor Company and the Transferee Company which will help in increasing the competitiveness of the Transferee Company.

(vi). The merger will result in economies of scale, reduction in overheads including administrative, managerial and other expenditure, operational rationalisation, organisational efficiency and optimal utilisation of resources.

(vii). The merger will result in a significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by both the Transferor Company and the Transferee Company.

(viii). The banks, creditors and financial institutions, if any, are not adversely affected by the proposed merger as their security and asset cover will be maintained.

10. The merger of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date (as defined herein below).

10A. The Scheme, once effective, will not, for any reason prejudice/affect the interest of public.

11. The Scheme is divided into the following parts:

(a) Part I which contains the definitions;

(b) Part II, which deals with the share capital of the Transferee Company and the Transferor Company;

(c) Part III, which deals with Transfer and vesting of undertakings of the Transferor Company with the Transferee Company; and

(d) Part IV, which deals with Accounting treatment of merger in the books of the Transferee Company

(e) Part V, which deals with the dissolution of the Transferor Company and the general terms and conditions that would be applicable to the Scheme.

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

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PART I

1. DEFINITION

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

1.1. "Act" means the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force; the terms "Act" and "Section" shall be construed accordingly.

1.2. "Appointed Date" means the date from which this Scheme shall become operative viz., 1st April, 2017 or such other date as the Central Government or such other authority having powers to sanction the Scheme under the Applicable law, may direct.

1.3. "Board of Directors" in relation to the Transferor Company and/or the Transferee Company, as the case may be, shall, unless it is repugnant to the context or otherwise, include a Committee of Directors or any person authorized by the Board of Directors or such Committee of Directors.

1.4. "Bench" means the Hon'ble National Company Law Tribunal (NCLT) Bench of Kolkata or such other authority empowered to sanction the Scheme as per the provisions of the Act.

1.5. "Central Government" means the Regional Director, Eastern Region.

1.6. "Closing Date" means the date or last of the dates on which the certified copy of the order of the Central Government sanctioning this Scheme is filed with the Registrar of Companies by the Transferee and the Transferor Company.

1.7. "Scheme of Merger" or "Scheme" or "The Scheme" or "This Scheme" means this Scheme of Merger in its present form or with any modification(s) approved, imposed, or directed by the Central Government.

1.8. "Transferee Company" means Magma Fincorp Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Magma House, 24 Park Street, Kolkata-700016, West Bengal.

1.9. "Transferor" means Magma Advisory Services Limited, a company incorporated under the Companies Act, 1956, and having its registered office at Magma House, 24 Park Street, Kolkata-700016, West Bengal.

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1.10. "**Undertaking**" shall mean and include the whole of the undertaking of the Transferor Company, as a going concern, including their businesses, all secured and unsecured debts, liabilities, duties and obligations and all the assets, properties, rights, titles and benefits, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, licenses, registrations, copyrights, patents, trade names, trademarks and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, leases, licenses, tenancy rights, premises, ownership, flats, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, internet connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, service tax, etc.), Software License, Domain / Websites etc, in connection / relating to the Transferor Company and other claims and powers, of whatsoever nature and where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date.

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





PART II

2. (a) SHARE CAPITAL OF THE TRANSFEROR AND TRANSFEREE COMPANY

2.1. The share capital of the Transferee Company as on 31st March 2017 was as under:

(Rs. in Lacs)

Authorized Capital	Amount Rs.
26,50,00,000 Equity shares of Rs 2/- each	5,300.00
5,43,00,000 Preference shares of Rs. 100/- each	54,300.00
Total	59,600.00
Issued, Subscribed and Paid-Up Capital	**Amount Rs.**
23,69,59,672 Equity shares of Rs. 2/- each fully paid up	4,739.19
Total	4739.19

2.2. The share capital of the Transferor as on 31st of March 2017 was as under:

(Rs.in lacs)

Authorized Capital	Amount Rs.
2,50,00,000 Equity shares of Rs. 10/- each	2,500.00
4,00,00,000 Preference shares of Rs. 10/- each	4,000.00
Total	6,500.00
Issued, Subscribed and Paid-Up Capital	**Amount Rs.**
2,11,11,112 Equity shares of Rs.10/- each fully paid-up	2111.11
3,55,55,556 0.01% Non-redeemable non-cumulative non-participating compulsorily convertible preference shares of Rs. 10/- each fully paid up.	3,555.56
Total	5,666.67

2.3. Since Transferor Company is a wholly owned subsidiary of the Transferee Company, the entire issued share capital of the Transferor Company held by the Transferee Company and/or its nominees shall stand cancelled on the scheme being effective, that is, on the Closing Date, however, with effect from the Appointed Date.

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2. (b) DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Central Government or any other appropriate authority shall be operative and fully effective from the Appointed Date.

PART III

TRANSFER AND VESTING OF UNDERTAKING

OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE

COMPANY

3. TRANSFER AND VESTING OF UNDERTAKING

3.1. Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire business and undertaking(s) of the Transferor Company including all the debts, liabilities, duties and obligations, including those arising on account of taxation laws and other allied laws, of the Transferor Company of every description and also including, without limitation, all the movable and immovable properties and assets (whether tangible or intangible) of the Transferor Company comprising, amongst others, all furniture and fixtures, computers / data processing, office equipment, testing equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, permits, authorisations, approvals, lease, tenancy rights, permissions, incentives, if any, and all other rights, patents, know-how, trademark, service mark, trade secret or other intellectual property rights, proprietary right, title, interest, contracts, consent, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall, under the provisions of Sections 230 read with section 233, as may be applicable, of the Act, and pursuant to the orders of the Central Government or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, be transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties, assets, rights, business and undertaking(s) of the Transferee Company.

3.2. With effect from the Appointed Date all debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date whether provided for or not in the books of account of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date shall be the debts, liabilities, duties and obligations of the

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Transferee Company including any encumbrance on the assets of the Transferor Company or on any income earned from those assets.

3.3. With effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.

3.4. With effect from the Appointed Date, all the Loans, advances 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), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations with effect from the Appointed Date.

3.5. All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the assets comprised in the undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such securities, mortgages, charges, encumbrances or liens secure or relate to liabilities of the Transferor Company, the same shall, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Appointed Date and as are transferred to the Transferee Company, and such securities, mortgages, charges, encumbrances or liens shall not relate or attach to any of the other assets of the Transferee Company, provided however that no encumbrances shall have been created by any of the Transferor Company over its assets after the date of filing of the Scheme without the prior written consent of the Board of Directors of the Transferee Company.

3.6. All the existing encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Appointed Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.

3.7. It is expressly provided that, save as herein provided, no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

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3.8. With effect from the Appointed Date all statutory licences, permissions, approvals or consents to carry on the operations of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company upon the vesting and transfer of the undertaking of the Transferor Company pursuant to this Scheme. The benefit of all statutory and regulatory permissions, factory licences, environmental approvals and consents, sales tax registrations or other licences and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.

3.9. The merger of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income- tax Act, 1961.

4. CONSIDERATION

4.1. The entire Equity Share and Preference Share capital of the Transferor Company is held by the Transferee Company and its nominees. In other words the Transferor Company is wholly owned subsidiary of the Transferee Company. Accordingly, pursuant to this merger, no shares of the Transferee Company shall be allotted in respect of its holding in the Transferor Company. Upon the Scheme becoming effective, the entire share capital of the Transferor Company shall be cancelled and extinguished.

4.2. The investments in the shares of the Transferor Company, appearing in the books of account of Transferee Company shall, without any further act or deed, stand cancelled. Further details of the accounting treatment is provided for in Para 10 of the Scheme.

5. LEGAL PROCEEDINGS

5.1. Any suit, appeal or other proceedings of whatever nature by or against the Transferor Company is pending as on the Appointed Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

5.2. In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company after the Appointed Date, the Transferee

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Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company.

6. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

6.1. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, Letters of Intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to the Transferor Company and to which the Transferor Company is a party and subsisting or having effect on the Appointed Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

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

7. STAFF AND EMPLOYEES OF THE TRANSFEROR COMPANY

7.1. On the Scheme taking effect as aforesaid, the employees, if any, of the Transferor Company on the Appointed Date shall be deemed to have become the employees of the Transferee Company and their employment with the Transferee Company shall be on the following terms and conditions:

(i). The terms and conditions of service applicable to the employees shall not be less favourable than those applicable to them as on the Appointed Date;

(ii). The services of such employees shall not be treated as having been broken or interrupted for the purpose of provident fund or gratuity or otherwise and for all purposes will be reckoned from the date of their appointment with the Transferor Company; and

(iii). The Transferee Company undertakes to continue to abide by the agreement/settlement if any entered into by the Transferor Company with any of its employees, which is in force as on the Appointed Date,

(iv). It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created

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or existing for the benefit of the staff, workmen and employees of the Transferor Company shall become trusts / funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company. The Trustees including Board of Directors of the Transferee Company shall be entitled to adopt such course in this regard as may be advised provided however that there shall be no discontinuation or breakage in the service of the employee of the Transferor Company.

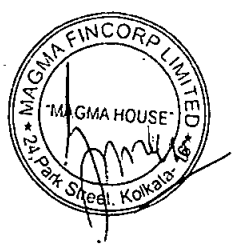
8. PAYMENT OF TAX

All taxes paid or payable by the Transferor Company in respect of the operations and/or the profits before the Appointed Date under Applicable Law, shall be on account of the Transferee Company and, in so far it relates to the tax payment (whether by way of deduction at source, advance tax or otherwise howsoever) by the Transferor Company in respect of the profits made from and after the Appointed Date, the same shall be deemed to be the tax paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.

9. BANK OPERATION

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





PART IV

ACCOUNTING TREATMENT FOR THE MERGER IN THE BOOKS OF THE TRANSFEREE COMPANY

10. ACCOUNTING TREATMENT

On the Scheme becoming effective, the accounting of the same shall be carried out by the Transferee Company, in the following manner which shall be in compliance with provisions of Accounting Standard 14 and other Accounting Standards as applicable, issued by the Institute of Chartered Accountants of India and notified by the National Advisory Committee on Accounting Standards, Ministry of Corporate Affairs vide Notification No GSR. 739(E) dated 07.12.2006, as amended from time to time.

10.1 In case of merger of the Transferor with the Transferee Company, accounting will be done as per pooling of interest method, because the existing Investment business of the Transferor Company shall be carried out by the Transferee Company after the Scheme is put to effect.

10.2 However, all the assets and all the liabilities of the Transferor Company, except the transactions with Transferee that get cancelled by virtue of this Scheme, shall be recorded in the books of the Transferee at their respective book values as appearing in the books of the Transferor.

10.3 The difference between the amount recorded as share capital issued (plus any additional consideration in the form of cash or other assets) and the amount of share capital of the Transferor Company shall be adjusted in reserves.

11. AUTHORIZED SHARE CAPITAL

11.1. Upon the Scheme becoming effective, the authorized share capital of the Transferor Company shall stand combined with the authorized share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Company on its authorized share capital, shall be deemed to have been so paid by the Transferee Company on the combined authorized Share capital and accordingly, the Transferee Company shall not be required to pay any fee/ stamp duty for its increased authorized share capital.

11.2. 'Clause V' of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and

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amended pursuant to the applicable provisions of the Act accordingly by deleting the existing Clause.

11.3. 'Clause 2' of the Articles of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to the applicable provisions of the Act accordingly by deleting the existing Clause.

12. TRANSACTIONS BETWEEN APPOINTED DATE AND CLOSING DATE

With effect from the Appointed Date and up to the Closing Date:

12.1. The Transferor Company shall carry on and be deemed to have carried on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of their entire businesses and undertakings for and on account of and in trust for the Transferee Company;

12.2. Transferor Company shall carry on its business and activities in the ordinary course of business with reasonable diligence and business prudence;

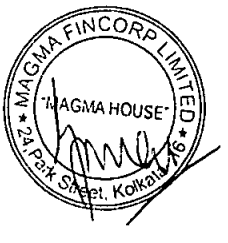
12.3. All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company; and

12.4. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.

13. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under clause 3 above and the continuance of proceedings by or against Transferor Company under clause 5 above shall not affect any transaction or proceedings already concluded by Transferor Company on or after the Appointed Date till the Closing Date, to the end and intent that Transferee Company accepts and adopts all acts, deeds and things done and executed by Transferor Company in respect thereto as done and executed on behalf of itself.





PART V

DISSOLUTION OF THE TRANSFEROR COMPANY AND THE GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME

14. DISSOLUTION OF TRANSFEROR COMPANY WITHOUT WINDING UP

On the Scheme coming into effect, the Transferor Company shall, without any further act or deed, stand dissolved without winding up in accordance with the provisions of the Act and the Rules made thereunder.

15. APPLICATION TO THE CENTRAL GOVERNMENT, OR SUCH OTHER APPROPRIATE AUTHORITY

The Transferee Company shall with all the necessary annexure, as may be required, make Applications/petitions to the Central Government under Section 230 read with Section 233, as may be applicable, of the Act, for sanctioning this Scheme of Merger. Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, there is no need for filing application/petition by the Transferor Company for sanctioning the Scheme of Merger.

16. MODIFICATIONS / AMENDMENTS TO THE SCHEME

16.1. The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors) in their full and absolute discretion may assent to any modification(s) or amendment(s) in this Scheme which the Central Government or such other appropriate authority and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme. Further, the Transferor Company (by its Board of Directors), the Transferee Company (by its Board of Directors) and after the dissolution of the Transferor Company, the Transferee Company (by its Board of Directors) be and are hereby authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the Central Government or such other appropriate authority or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

16.2. The Board of Directors of the Transferor Company hereby authorise the Board of Directors of the Transferee Company or any committee thereof to give assent to any modification(s) or amendment(s) in the Scheme which may be considered necessary or desirable for any reason whatsoever and without prejudice to the generality of the foregoing, any modification to the Scheme involving withdrawal of any of the parties

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to the Scheme at any time and for any reason whatsoever, the implementation of the Scheme shall not get adversely affected as a result of acceptance of any such modification by the Board of Directors of the Transferee Company and the Board of Directors of the Transferee Company be and is hereby authorised by the Board of Directors of the Transferor Company to take such steps and to do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

17. CONDITIONALITY OF SCHEME

The Scheme is conditional upon and subject to –

17.1. Approval of the Scheme by the requisite majority of the respective members and creditors of the Transferee Company as may be directed by the Central Government or such other appropriate authorities;

17.2. Sanctions and Orders under the provisions of Section 230 read with section 233, as may be applicable, of the Act being obtained by the Transferee Company from the Central Government or such other appropriate authority;

17.3. This Scheme shall be effective from the Appointed date as per Sections 230 read with section 233, as may be applicable, of the Act and shall be duly filed with the Registrar of Companies Kolkata, by the Transferor Company and the Transferee Company.

18. REVOCATION AND SEVERABILITY

18.1. In the event of any of the said sanctions and approvals referred to in Clause 16 and 17 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Central Government or such other appropriate authority and/or order or orders not being passed as aforesaid before 28 February 2018 or such other date as may be mutually agreed upon by the respective Board of Directors of the Transferor Company and the Transferee Company who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s), this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company and the Transferee 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 in accordance with the applicable law and in such case, each Company shall bear its own costs unless otherwise mutually agreed. Further, the Board of Directors of the Transferor Company and the Transferee Company shall be

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entitled to revoke, cancel and declare the Scheme of no effect if such Board of Directors are of the view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have adverse implication on all/any of the company;

18.2. If any part of this Scheme hereof is invalid, ruled illegal by any tribunal of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

18.3. The Scheme may be withdrawn by the Board of Directors of Transferor Company and Transferee Company only by mutual consent and only if such Boards of Directors jointly agree that the coming into effect of the Scheme could have adverse implication on both the Transferor Company and Transferee Company.

19. EXPENSES CONNECTED WITH THE SCHEME

19.1. All costs, charges, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.

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